



# ***Daily Report—***

# **China**

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# Daily Report

## China

FBIS-CHI-92-103

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28 May 1992

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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### General

#### Foreign Ministry Holds Weekly News Briefing

##### Welcomes Swedish Trade, Ties

OW2805092092 Beijing XINHUA in English  
0907 GMT 28 May 92

[Text] Beijing, May 28 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that China welcomes Sweden's decision to lift the ban of economic assistance to China.

At a weekly news conference here this afternoon, the spokesman noted that the economic and trade ties between China and Sweden are based on equality and mutual benefit.

"We welcome the positive measures of the Swedish side that will help develop bilateral economic and trade relations," the spokesman said.

##### Gives Stance on Environment, Dalai Lama

OW2805085992 Beijing XINHUA in English  
0847 GMT 28 May 92

[Text] Beijing, May 28 (XINHUA)—A Chinese Foreign Ministry spokesman reaffirmed here today that protecting the environment is one of China's national policies.

In response to a reporter's question on China's environmental protection at the weekly news conference, the spokesman said initial result has been achieved on this issue.

For many years, he added, the environmental situation in China has remained basically stable and, in certain places, the situation has even been improved.

The spokesman noted that in the past 10 years, more than 10 billion trees have been planted in China and the artificial afforestation area has covered more than 40 million square hectares.

As a result, either the total or per-capita emission of carbon dioxide in China is in a very small amount.

When asked who will lead a Chinese delegation to New York to attend the Earth Summit on environment and development, the spokesman said that "we will soon release the news."

On the question if Dalai Lama will attend the summit, the spokesman said there is no such thing as Dalai Lama is invited to attend the forum because the summit meeting is to be held by the United Nations [sentence as received].

"We are opposed to Dalai Lama's carrying out his political activities against the Chinese Government and trying to split China or international forum," he added [sentence as received].

##### States Concern With Lebanon

OW2805082292 Beijing XINHUA in English  
0810 GMT 28 May 92

[Text] Beijing, May 28 (XINHUA)—China is deeply concerned over the worsening situation in Lebanon, a Chinese Foreign Ministry spokesman said here today.

In response to the question concerning Lebanon's situation at a weekly press conference this afternoon, Wu Jianmin said that "we are deeply concerned over the worsening situation in Lebanon."

"It is our constant view that the relevant U.N. resolutions should be implemented and the Lebanon's sovereignty and territorial integrity should be respected," Wu said [sentence as received].

"We call on the parties concerned to exercise restraint and prevent the situation from further deteriorating, so as to avoid adverse impact on the Mid-east peace process," the spokesman said.

##### Views U.S. Force Reductions in ROK

OW2805092492 Beijing XINHUA in English  
0905 GMT 28 May 92

[Text] Beijing, May 28 (XINHUA)—A Chinese Foreign Ministry spokesman today reiterated that China welcomes all moves conducive to the further relaxation of the situation on the Korean peninsula.

The spokesman made the remark at a weekly press conference here this afternoon when asked to comment on the U.S. Defense Department's announcement that the United States would reduce or close down two of its military bases in South Korea.

##### Says No Sanctions on Yugoslavia

OW2805100292 Beijing XINHUA in English  
0953 GMT 28 May 92

[Text] Beijing, May 28 (XINHUA)—China has not considered imposing sanctions on the Federal Republic of Yugoslavia, a Foreign Ministry spokesman said here today.

The spokesman made the statement at a weekly press conference when asked whether China will impose sanctions on Yugoslavia, as the European Community has decided to impose economic sanctions and an oil embargo on the republics of Serbia and Crnagora (Montenegro).

"We hope that all the concerned parties in the former Yugoslavia will halt bloodshed of confrontation and solve their disputes through peaceful negotiation at an early date," he said.

**Announces Aid to Southern Africa**

OW2805094192 Beijing XINHUA in English  
0926 GMT 28 May 92

[Text] Beijing, May 28 (XINHUA)—A Chinese Foreign Ministry spokesman Wu Jianmin said here today that China feels deep concern about the people in Southern Africa that suffers the most serious drought over the past half century.

At a weekly news conference here this afternoon, Wu said that China has granted grain and other assistance to some countries and will continue to provide the relevant countries with the aid within its capabilities.

At the same time, he said, China supports the U.N. Secretary General Butrus- Butrus Ghali's call and appeal to the international community offering urgent assistance to these drought-stricken areas.

**Welcomes Afghan Agreement**

OW2805093292 Beijing XINHUA in English  
0922 GMT 28 May 92

[Text] Beijing, May 28 (XINHUA)—The seven-point peace agreement reached between Masood and Hekmatyar will contribute to the realization of peace and stability in Afghanistan, a Chinese Foreign Ministry spokesman said here today.

In response to a question on the agreement at a weekly press conference this afternoon, the spokesman said "we hope the various parties in Afghanistan will make joint efforts to achieve national reconciliation and rehabilitate their homeland."

**Says Nepalese Delegation To Visit**

OW2805081992 Beijing XINHUA in English  
0738 GMT 28 May 92

[Text] Beijing, May 28 (XINHUA)—A parliamentary delegation from Nepal headed by Daman Nath Dhungana, speaker of the Nepalese House of Representatives, will pay a goodwill visit to China from June 2 to 12, 1992 at the invitation of the Standing Committee of the China's National People's Congress.

A Chinese Foreign Ministry spokesman made this announcement here this afternoon.

**Official: Developed World Should Pay For Ecology**

HK2805022592 Hong Kong AFP in English  
0202 GMT 28 May 92

[By Pascale Trouillaud]

[Text] Beijing, May 28 (AFP)—China will express at the coming environmental summit in Rio de Janeiro the view that the developed world should foot the bill for ecological protection, officials here say.

"The developed countries have contributed much more to the degradation of the environment, they should take greater responsibilities," said Xia Kunbao, who heads the national agency for the protection of the environment.

But European diplomats speaking one week before the opening of the summit said it was unlikely that Third World countries, of which China considers itself a leader, would obtain concessions.

The developed world, especially the United States, had shown themselves reticent to give in to demands to offer to pick up the tab at the summit, which opens June 3, they noted.

Top leader Deng Xiaoping's daughter Deng Nan, who was recently promoted to vice minister in charge of the environment in a sign of the importance that China attaches to this portfolio, recently called on industrialized countries to transfer technology to China on a non-commercial basis.

China, she said, was ready to make an effort for the environment, but lacked the funds.

Outside of international organisations such as the United Nations, the World Bank and the Asian Development Bank, Japan has offered China some help. Tokyo worries about acid rain or fallout from nuclear accidents from its huge western neighbor.

In the meantime, the environmental situation in the world's most populous country has been termed as catastrophic.

Chinese experts estimate that pollution has attained a degree comparable to industrialized countries in the 1950s and 1960s.

Air pollution is one of the biggest worries. Big industrial cities such as Shanghai, Shenyang and Tianjin suffer from three times more incidents of respiratory diseases and cancer than elsewhere.

In the capital Beijing, which is enveloped by smog six months a year, some doctors warn against running.

Coal is one of the biggest causes of the problem. China is the largest consumer of coal in the world and one of the biggest producers of emissions causing the so-called "greenhouse effect."

Chinese coal emitted 40 million tonnes of pollutants a year in the late 1980s, 20 million of which were in the form of sulphur dioxide, according to official statistics.

Despite diversifying energy sources, official projections indicate that toward the year 2050, coal would still represent more than 50 percent of the energy used in China, compared to 76 percent at the moment.

The situation could even get worse in the short term given increasing use of coal due to a strong economic growth depending on industrial development.

Water pollution is equally alarming: 82 percent of Chinese rivers are polluted and China suffers from water shortages.

Only some 30 percent of industrial refuse is recycled and around seven billion tonnes of industrial and urban refuse has accumulated on the banks of rivers or elsewhere outside the cities.

A European Community official here said China was beginning to take the issue seriously. But recent policies have not been implemented, essentially because the clean technologies are expensive, added a Western diplomat.

"How are you going to force the head of an enterprise whose firm is in the red to install filters," said the diplomat.

Present policy is thus based on punishing offenders rather than on prevention.

According to a recent official report, less than 20 percent of enterprises have taken pollution reduction measures in the past 10 years.

"Even with great efforts, China will still have a considerable number of enterprises with outdated technology and equipment continuing to pollute the environment," admitted the government, adding this would make "it very difficult to realize a fundamental improvement of China's environment."

#### NATO Communique Urges New 'Strategic Concept'

OW2705174292 Beijing XINHUA in English  
1618 GMT 27 May 92

[Text] Brussels, May 27 (XINHUA)—A NATO meeting ended here today with the adoption of a final communique stressing the implementation of the new strategic concept for the adaptation of the NATO strategy to the new security environment.

The two-day ministerial meeting of the Defence Planning Committee and the Nuclear Planning Group of the North Atlantic Treaty Organisation has made substantial progress in implementing new strategy involving new command structures, new force structures both conventional and nuclear, and some very important wider issues relating to future defence policy, NATO Secretary General Manfred Woerner told a news conference after the meeting.

NATO defence ministers agreed the major cuts in manpower and changes in the alliance's military structure.

The communique stressed the importance of maintaining existing assignments to NATO of forces, recognizing the primary responsibility of these forces is to meet the collective defence commitments of the alliance.

In the communique NATO ministers expressed the support for the further development of the European

security and defence identity, strengthening the solidarity and cohesion of the trans-Atlantic partnership.

Concerning the strengthening of the CSCF process, the communique said NATO might make the contribution in support of the conflict prevention and crisis management mechanisms currently being developed by the CSCE.

Defence ministers also agreed that the equitable sharing of responsibilities and effective use of defence resources remain key objectives.

On the relations with Central and Eastern Europe, NATO ministers said the strengthening of the cooperation with these countries is the essential part of the NATO defence policy, saying that "the allies' security is inseparably linked to that of all other states in Europe."

The meeting stressed the importance of the achievement and implementation of arms control agreements as a means of enhancing the collective security.

#### Commentary Views World Nuclear Disarmament

HK2705105192 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 21, 25 May 92 p 26

[“International commentary” by Shi Jinkun (4258 6930 0981): “Strive To Promote Process of Nuclear Disarmament”]

[Text] The end of the tense confrontation between the two military blocs provides an extremely favorable condition for the realization of nuclear disarmament in the world. Accelerating the process of nuclear disarmament and safeguarding world peace and security are the urgent tasks of the international community at the moment.

The primary responsibility for carrying out nuclear disarmament still lies with countries with the world's biggest nuclear arsenal, namely: The United States and Russia. Both countries are presently redefining their military strategies and their combat targets based on the distinctive features of the new situation as they both need to carry out a certain degree of nuclear disarmament in line with their own strategic interests and in order to reduce the unbearable and enormous costs of nuclear armament. The reduction plans presented by the United States and Russia on 28 and 29 January this year represent considerable improvements over their past positions. But looking at the substantive parts of their proposals, the intentions of the United States and Russia are still vastly different from one another. The United States wants to take advantage of the collapse of the Soviet Union to undermine further the remaining nuclear forces of the former Soviet Union and eliminate the potential danger of nuclear proliferation stemming from the nuclear arsenal of the former Soviet Union as a result of the latter's disintegration. Meanwhile, the Russian Federation [as published] is deliberately evading the United States' precondition that the Commonwealth of Independent States [CIS] destroy all land-based multiple

warhead ballistic missiles before the United States reduces its nuclear arsenal any further. Instead, it proposes that the offensive strategic weapons left over from cutbacks by the two sides should not be pointed at each other as a way to lure the United States into allowing Russia to keep the backbone of its strategic nuclear forces. It is not difficult to see that while the United States and Russia would like to carry out a greater degree of nuclear disarmament, what they want to remove are their own outdated weapons or those which are not as advanced as the other side's.

Aside from expressing a cautious welcome of their proposals, the different countries of the world still maintain their reservations as they wait to see how the proposals will be implemented. France has indicated that it will only consider taking part in the nuclear disarmament process when the United States and Russia have cut down their respective nuclear arsenals to the level of France's nuclear arsenal. Meanwhile, Britain claimed that it will stick to its plan to purchase four new Trident strategic missile systems. Britain's Defense Minister Tom King asserted that in the next 10 to 15 and even 20 years, "the territory of the former Soviet Union is bound to produce a huge amount of nuclear weapons," hence, Britain's development of its strategic nuclear force is a necessary "defensive measure" taken against this eventuality. On the other hand, many nonnuclear countries maintain that while the nuclear disarmament plans of the United States and Russia are proceeding rapidly, they are still at a bargaining stage, and even if an agreement should be reached, it would still fall far behind the level of genuine and massive destruction of nuclear weapons as demanded by the international community.

As China has always advocated comprehensive and total nuclear disarmament, it believes that in the case of the U.S. and Russian efforts to reduce their nuclear arsenal, it is better to cut back than not to cut back at all and to cut back more than to cut back less. Over the years, China has always indicated its willingness to join the different countries of the world in promoting the process of nuclear disarmament. In recent times, it even actively adopted a series of new measures to promote nuclear disarmament and arms control. Last 29 December, the Standing Committee of the National People's Congress of China adopted the following resolution: China is to accede to the Treaty on the Nonproliferation of Nuclear Weapons, demonstrating once more to the world that China does not advocate, encourage, or engage in nuclear proliferation, nor does it help other countries develop nuclear weapons. On the export of nuclear materials intended for civilian use, China has also always accepted supervision by the International Atomic Energy Agency. On 27 April this year, China's ambassador to the disarmament conference Hou Zhitong submitted an official working document to the UN Commission on Disarmament where he outlined ten steps and six necessary conditions to boost the process of international nuclear disarmament.

The two countries with the biggest nuclear arsenals are duty-bound to take the lead in carrying out massive nuclear disarmament. The reason is that even if both the United States and Russia make good their latest proposals on nuclear disarmament, the move will not affect in the least their status as nuclear superpowers. Even if they destroy 4,000 or 2,500 warheads, the combined nuclear weapons of these two countries will still make up a greater portion of the total number of strategic nuclear warheads in the world while they will still possess "super kill" powers enough to blow up the world several times. Mankind does not thus eliminate the threats of a nuclear war. Therefore, looking simply from the perspective of quantitative reduction, both the United States and Russia should at least reduce and destroy the greater part of their nuclear arsenals, and lower the number of remaining nuclear weapons to a level comparable with those of medium nuclear states. Meanwhile, the nuclear weapons of all nuclear states should be kept to a level consistent with the defensive purpose of containing a nuclear war.

Reducing the quantity of nuclear weapons is not the final objective, as the final objective should be the total ban and thorough destruction of nuclear weapons. Before achieving the aforementioned objective, the countries with the biggest nuclear arsenal should be asked to accomplish the "three ends" simultaneous with their drastic reduction of nuclear weapons in order to prevent the eruption of a nuclear war: Put an end to the testing, production, and deployment of nuclear weapons. In other words, the nuclear superpowers should renounce the attempt to achieve nuclear superiority not only in terms of quantity but also of quality. The "three ends" and "one reduction [of nuclear weapons]" is a complete concept which should not be taken apart. Based on this concept, the nuclear superpowers cannot prove their sincerity on nuclear disarmament to the world. Hence, the time to convene an international disarmament conference which will discuss the joint reduction of nuclear weapons by all nuclear states will only be truly ripe when the "three ends" and "one reductions" have been accomplished.

It is necessary to create a peaceful and stable international environment in order to contribute to the realization of an effective nuclear disarmament. In this world where we live, the cold war pattern may have come to an end, but regional conflicts have mushroomed; economic, territorial, ethnic, and religious contradictions remain very complicated; and in particular, acts of blatant hegemonism and disrespect for the territorial sovereignty of other countries are all turning into factors which could provoke an arms race. All countries should respect each other's sovereign rights, treat each other on equal terms and coexist peacefully, refrain from interference in other country's internal affairs, oppose the use of force and the threat of use of force in international relations, and settle disputes between states in a peaceful way. If these principles are respected, then it could create a favorable international climate needed to expedite the nuclear disarmament process.

## United States & Canada

### Beijing To Allow 'Dissident' Writer To Leave

OW2705141992 Tokyo KYODO in English  
1401 GMT 27 May 92

[Text] Shanghai, May 27 KYODO—Chinese authorities Wednesday notified dissident writer Wang Ruowang to start procedures for his departure for the United States, Wang told KYODO NEWS SERVICE at his residence here.

The notification came one day after police lifted a longstanding in-house surveillance of Wang.

Noting that allowing him to leave China will lead to an improved image of the country, Wang said his U.S. visit is an important advance of Deng Xiaoping's reform drive.

He also said the measure has something to do with the national support for Deng, refueled by commentaries the elderly strongman made earlier this year during an inspection tour of central and southern China.

The police are believed to have monitored Wang's activities and banned contacts with the outside world from October 1990 after he was released from 16 months of imprisonment for his role in Beijing's Tiananmen Square pro-democracy protests, crushed by Chinese troops in June 1989.

The authorities have reportedly agreed to the departure of Wang and another dissident intellectual, Wen Yuan-kai, 45, a professor at the Chinese University of Science and Technology in Hefei, Anhui Province.

Wang sent a letter to China's influential leader Deng last month to praise the recently accelerated economic reform and open-door policy initiated by Deng and relay his hope to go to the U.S. to teach at Columbia University and receive medical treatment.

## Central Eurasia

### Ukraine Cargo Ship Detained in Fuzhou, Fujian

OW2705142292 Beijing XINHUA in English  
1358 GMT 27 May 92

[Text] Fuzhou, May 27 (XINHUA)—The Xiamen Maritime Court has detained a Ukrainian cargo ship involved in an incident which resulted in losses to the owners of the cargo at the port of Mawei, Fuzhou, Fujian Province, on May 26.

The incident involved the "Nikore," a ship owned by a Ukrainian Black Sea shipping company, which was loading more than 10,000 tons of fish meal imported by seven Chinese companies, including the Shanghai Foodstuffs Import and Export Company, Ningbo Cereals, Oils and Foodstuffs Import and Export Company,

Jiangxi Huatai Science and Technology Development Company, Fujian Marine Products Import and Export Company.

The fact that the vessel was overloaded led to a lack of proper ventilation which led to the spontaneous ignition of the cargo in the third and fourth storage holds.

The improper measures used in an attempt to extinguish the fire resulted in further damage to the cargo. Direct economic losses caused by the fire were estimated at more than 1.7 million U.S. dollars.

As part of an effort to protect the legitimate rights and interests of the owners of the cargo, three of the seven companies have entrusted the Shanghai Branch of People's Insurance Company of China to submit an application for property protection to the Xiamen Maritime Court.

The Xiamen Maritime Court conducted an investigation and ruled that the application for property protection was justified.

According to 251st and 252nd regulations of the Civil Procedures Law of the People's Republic of China, the Xiamen Maritime Court has detained the "Nikore" cargo ship and has ordered the owner of the vessel to provide guarantees for the compensation of cargo losses.

### Russia Threatens To Switch Yugoslav Stance

OW2805032092 Beijing XINHUA in English  
0308 GMT 28 May 92

[Text] Belgrade, May 27 (XINHUA)—Russian Foreign Minister Andrey Kozyrev warned this evening that the ceasefire agreement in Bosnia-Herzegovina signed with Russia must be abided by or Russia "would express its stand in different terms."

Currently, Russia is at loggerheads with the West in its opposition to sanctions against the Serbian-Montenegro alliance.

Kozyrev said during his visit to Macedonia that the shelling tragedy in Sarajevo today which killed over 20 people showed that the ceasefire reached yesterday evening between Russia and the warring sides in Bosnia-Herzegovina was not respected by the conflicting sides, TANJUG NEWS AGENCY reported today.

According to another report, the Russian foreign minister announced in a press conference after his trip to Macedonia that Russia had recognized the independence of Macedonia.

Kozyrev said Russia would support the newly independent country in various fields, but the two countries would not form a military alliance and not force other countries to recognize the country.

Kozyrev reaffirmed that his trip aimed to help resolve the crisis in Yugoslavia peacefully and said Russia currently opposed sanctions against Serbia.

Kozyrev started his visit to former Yugoslav republics on May 18, but had to suspend his trip after visiting Serbia and Montenegro on May 20 when he was called home for emergency reasons. Macedonia is the last leg of his tour. He will leave for Russia this evening.

The local media said that Kozyrev's tour sought to enhance Russia's influence in the Balkan region and give Kozyrev experience in dealing with problems in the former Soviet Union.

#### Shaposhnikov Cited on Preparedness of CIS Forces

OW2705041192 Beijing XINHUA in English  
0311 GMT 27 May 92

[Text] Moscow, May 26 (XINHUA)—The Armed Forces of the Commonwealth of Independent (CIS) should maintain war preparedness, Marshal Yevgeniy Shaposhnikov said here today.

Yevgeniy Shaposhnikov, the commander-in-chief of the CIS Armed Forces, made the statement at a press conference after a routine CIS defense meeting.

One of the major tasks of the general headquarters was to keep the Armed Forces prepared for combat while maintaining flexible management of the strategic force, Shaposhnikov said.

He said that the headquarters must also coordinate the implementation of treaties on various military issues and prevent possible regional conflicts outside the CIS borders by means of flexible responses.

Several draft agreements and documents, which deal with the more precise divisional arrangements of the strategic force, the missile attack warning system, the aerospace control system and anti-aircraft system, were initiated at the meeting, which was attended by the CIS defense ministers.

The commander-in-chief said that a huge restructuring of the strategic force agreed to at the meeting would lead to the elimination of many Navy and Air Force units including the Black Sea Fleet.

The next routine CIS defense meeting, which is scheduled to make a final revision of the draft agreements and documents, will open on July 3, on the eve of the proposed CIS Moscow summit meeting, he added.

Moscow TV reported that Moldova and Azerbaijan were absent from today's meeting.

#### Northeast Asia

#### NPC Chairman Wan Li Continues Visit to Japan

##### Feted by Envoy Yang Zhenya

OW2805012992 Beijing XINHUA Domestic Service  
in Chinese 1426 GMT 27 May 92

[By reporters Huang Fengzhen (7806 7685 3791) and Geng Guangyin (5105 1639 6892)]

[Text] Tokyo, 27 May (XINHUA)—Chinese Ambassador to Japan Yang Zhenya gave a grand reception at the Chinese Embassy here this evening in honor of visiting Chairman Wan Li of the National People's Congress Standing Committee.

Chairman Wan Li, Japanese House of Representatives Speaker Yoshio Sakurada, House of Councillors Speaker Yuji Nagata, and more than 300 others, including Japanese friends from various circles and Chinese nationals residing in Japan, attended the reception. The hosts and guests had cordial conversations.

When the reception started, new and old friends came forward one after another to cordially shake hands, chat, and have pictures taken with Chairman Wan Li, including Susumu Nikaido, member of the Japanese House of Representatives and the highest adviser to the Liberal Democratic Party; Heishiro Ogawa, vice president of the Japan-China Friendship Association and former Japanese ambassador to China; Yoshiko Otaka, Li Xianglan [Otaka's Chinese name], member of the Japanese House of Councillors; and Keigo Ouchi, chairman of the Democratic Socialist Party. Susumu Nikaido, who served as chief cabinet secretary when Sino-Japanese relations were normalized 20 years ago, told Wan Li: "At the thought of normalization of Sino-Japanese relations 20 years ago, I feel that Japan and China should remain friends forever." Then, Wan Li said to Susumu Nikaido: "The spirit of the older generation should be passed on to the younger generation."

The reception was permeated with a warm atmosphere of Sino-Japanese friendship.

#### Addresses Overseas Chinese

OW2805012792 Beijing XINHUA Domestic Service  
in Chinese 1412 GMT 27 May 92

[By reporter Li Shouzhen (2621 1343 6297)]

[Text] Tokyo, 27 May (XINHUA)—Wan Li, chairman of the Standing Committee of the National People's Congress [NPC], met and had a cordial conversation with the representatives of Chinese residing in Japan, at the Chinese Embassy here this afternoon.

First, Wan Li, on behalf of the NPC, extended cordial greetings to his overseas compatriots and wished them success in their work and happiness in their families. Wan Li said: "We all are Chinese, and we all hope that the Chinese nation will develop, prosper, and rank among the world's powerful nations. It is the common aspirations of both the people of China and Overseas Chinese to build China into a prosperous, strong, unified, and modernized nation." He expressed the hope that the Overseas Chinese will make joint efforts with the people of China to attain this magnificent goal.

Wan Li added: "Japan is a near neighbor of China as well as a country advanced in economy, science, and

technology. It is an important aspect of China's diplomacy to seek improved relations and strengthened bilateral cooperation with Japan. He expressed the hope that Japan's Chinese residents will make efforts to strengthen Sino-Japanese friendly relations. [no closing quotation marks as received]

He said: Over the past decade or so, China has centered on economic construction to implement its policy of reform and opening up to the outside world, bringing about tremendous changes in the country. He suggested that the Overseas Chinese make frequent trips to China to see the changes in the motherland and introduce to fellow countrymen foreign experience in economic and technological development.

On learning that Taiwan-born Chinese were among those present, Wan Li said: "The reunification of the motherland is our common aspiration, the Chinese. We should make joint efforts to promote exchanges across the strait and seek an early reunification of the motherland."

Also present at the meeting were Cao Zhi, member and deputy secretary general of the NPC Standing Committee; Fu Hao, member of the Standing Committee and vice chairman of the Foreign Affairs Committee of the NPC; Xu Dunxin, vice minister of foreign affairs; and Yang Zhenya, Chinese ambassador to Japan.

### Leaves Tokyo for Hokkaido

OW2805020192 Beijing XINHUA in English  
0140 GMT 28 May 92

[Text] Tokyo, May 28 (XINHUA)—Chinese parliamentary leader Wan Li left here this morning for Hokkaido, north Japan, to continue his visit.

Wan Li, chairman of the Standing Committee of the National People's Congress, arrived here on May 25 for an eight-day official goodwill visit to Japan at the invitation of the leaders of the two houses of the Japanese Diet (parliament).

Wan's visit is also a part of the celebrations to mark the 20th anniversary of the normalization of bilateral ties, which falls on September 29 this year.

During his stay here, he met with Japanese Emperor Akihito, Prime Minister Kiichi Miyazawa, and leaders of the two houses Yoshio Sakurachi and Yuji Osada, to exchange views on bilateral relations and important regional and international issues of mutual concern.

They shared the views that strengthening Sino-Japanese friendship and cooperation is not only important to the two countries, but also helpful to peace, stability and development in the Asia-Pacific region and the world at large.

After Hokkaido, Wan Li will proceed to Okayama and Osaka before returning to China on June 1.

### Kim Il-song, Ding Guangen Meet in Pyongyang

OW2705162592 Beijing XINHUA Domestic Service  
in Chinese 0822 GMT 27 May 92

[By reporter Li Nengqing (7812 5174 3237)]

[Text] Pyongyang, 27 May (XINHUA)—Kim Il-song, general secretary of the Central Committee of the Korean Workers' Party, met with Ding Guangen, alternate member of the CPC Political Bureau and member of the Secretariat of the CPC Central Committee, at the Kumsusan Assembly Hall today.

Ding Guangen arrived on 25 May on a visit to the DPRK at the invitation of the Korean Workers' Party Central Committee.

Kim Il-song warmly welcomed Ding Guangen and requested that the latter convey his cordial regards to Deng Xiaoping, Jiang Zemin, and Li Peng.

Kim Il-song said: "We are neighboring countries, brothers, and battle companions, and we are going forward hand in hand." Kim Il-song highly appraised China's achievements in the undertaking of building socialism with Chinese characteristics.

Ding Guangen conveyed to Kim Il-song the cordial regards of Comrades Deng Xiaoping, Jiang Zemin, Yang Shangkun, and Li Peng. He thanked the Korean Workers' Party for inviting him and Kim Il-song for meeting him given the latter's very busy schedule.

Ding Guangen expressed his delight at the achievements and progress of the Korean people in their undertakings in socialist construction, as well as in the autonomy and peaceful reunification of Korea under Kim Il-song's leadership. He wished the Korean people greater success in future endeavors.

After the meeting, Kim Il-song hosted a luncheon for Ding Guangen and his party.

At the same time, Kim Il-song also met with and feted a delegation of the Jiangsu Provincial CPC Committee, led by its Deputy Party Secretary Sun Jiazheng.

### DPRK Assembly Delegation Visits Shandong

SK2805032592 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 26 May 92

[Text] Accompanied by Peng Chong, vice chairman of the Standing Committee of the National People's Congress [NPC], the delegation of the Supreme People's Assembly of the DPRK, headed by Yang Hyong-sop, chairman of the Standing Committee of the Supreme People's Assembly of the DPRK, arrived in Jinan by train on the morning of 26 May to begin its four-day visit to Shandong Province.

When the guests arrived in Jinan, Li Zhen, chairman of the provincial People's Congress Standing Committee, Xu Xuemeng, vice chairman of the provincial People's

Congress Standing Committee, and responsible persons of departments concerned met them at the railway station. That very evening, Li Zhen, chairman of the provincial People's Congress Standing Committee, hosted a party to welcome the guests. Attending the party were Peng Chong, vice chairman of the NPC Standing Committee; Jiang Chunyun, secretary of the provincial party committee; Zhao Zhihao, deputy secretary of the provincial party committee and governor of the province; Liang Buting, chairman of the provincial advisory commission; Tan Fude, Standing Committee member of the provincial party committee and secretary of the provincial discipline inspection commission; Lu Hong and Xu Xuemeng, vice chairmen of the provincial People's Congress Standing Committee; Wang Yuyan, vice governor of the province; Zhai Yongbo, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference [CPPCC] and mayor of Jinan city; and Li Yuanrong, chairman of the Jinan city People's Congress Standing Committee.

Li Zhen delivered a speech at the party to extend his welcome to the Korean guests. He said: China and Korea are good neighbors which are linked by common mountains and rivers and which are as closely related as lips and teeth. Unbreakable is the profound friendship cemented with the blood of the peoples of the two countries during the protracted revolutionary struggle. Under the current complicated international situation, it is of great significance to further strengthen the friendship between the two parties and the two countries. Like other provinces in our country, Shandong Province firmly supports the heroic struggle waged by the Korean people under the leadership of President Kim Il-song to realize the great ideal of their own, to create a happy new life, and to strive for an independent and peaceful unified fatherland.

Li Zhen added: The current visit of the Korean Supreme People's Assembly delegation to Shandong Province will surely further strengthen the traditional friendship and the friendly cooperation between the two parties and the two countries.

Chairman Yang Hyong-sop said in his speech: After coming to Shandong Province, we have caught sight of the great achievements scored by Shandong's people in socialist construction under the leadership of the CPC. Last October, President Kim Il-song, the great leader of our country, visited Shandong. Today, we feel very happy to come here again. We highly appraise the endeavor made by Shandong's people to develop the Korea-China friendship cemented with blood. This friendship will certainly be promoted with each passing day.

On the morning of 26 May, the Korean guests, accompanied by Leading Comrades Li Zhen and Xu Xuemeng, toured (Wulongtan), Daming Lake, and (Heihuquan). That afternoon, the guests visited the Jinan No. 2 Machine Tool Plant and the Jinan Motor Works. At (Wulongtan) Park, Chairman Yang Hyong-sop happily

wrote an inscription reading "The friendship between Korea and China goes back to ancient times, just like the spring water of Wulongtan."

### DPRK Hands Over Remains of 15 U.S. Servicemen

OW2805103092 Beijing XINHUA in English  
0912 GMT 28 May 92

[Text] Pyongyang, May 28 (XINHUA)—The Democratic People's Republic of Korea (DPRK) repatriated today another 15 remains of United States servicemen who were killed in the Korean War.

It was the second time for the DPRK to turn over remains of the U.S. servicemen in three weeks.

The 15 remains, contained in claret coffins, were handed over to the U.S. side at a brief delivery ceremony in the truce village of Panmunjom at 10:00 local time.

Present on the occasion were Lieut. General Kwon Chung-yong, deputy chief of the General Staff of the Korea People's Army (KPA), and the U.S. Airforce Vice Marshal James Record, who is chief of staff of the U.N. Forces command.

The remains unearthed in North Hwanghae Province in the northern half of Korea in October and November last year would be brought to the U.S. Army Central Identification Laboratory in Hawaii for evaluation and possible identification, a U.S. Defense Department spokesman said in Washington on Wednesday.

On May 13, the DPRK had turned over 15 remains of the U.S. servicemen to the U.N. Forces stationed in the southern half of Korea.

The Pentagon lists 8,177 U.S. servicemen as unaccounted for from the war, which ended in July 1953.

Kwon Jung Yong and James Record also held an close-door meeting today during which they discussed matters concerning the future handover of U.S. servicemen remains.

### Wang Hanbin Meets Mongolian Delegation

OW2605122992 Beijing XINHUA in English  
1148 GMT 26 May 92

[Text] Beijing, May 26 (XINHUA)—Wang Hanbin, Vice-Chairman of China's National People's Congress (NPC) Standing Committee, met with a delegation from the law committee of the Small Hural of Mongolia here today.

The delegation, led by chairman of the committee N. Ganbayar, came to China on May 20 at the invitation of the NPC Law Committee. During their visit, they toured east China's Shanghai and Suzhou.

## Near East & South Asia

### Analysis: Syria-Israel Confrontation 'Unlikely'

OW2705193392 Beijing XINHUA in English  
1915 GMT 27 May 92

[News Analysis by Gu Zhenglon: "Syrian-Israeli Confrontation Unlikely as Result of Tension in South Lebanon"]

[Text] Damascus, May 27 (XINHUA)—The military escalation in south Lebanon has raised fears for a Syrian-Israeli confrontation, but such possibility appeared to have been ruled out partly due to intensified U.S. pressure on the concerned parties for self-restraint.

Political observers here noted that the exchange of accusations between Syrian and Israeli officials regarding the tension in south Lebanon has been eased. They attributed this to the U.S. diplomatic efforts that have, to some extent, put the brake on further escalation of the violence.

The observers hold that both Syria and Israel are wary not to irritate the United States at a time when preparations are under way to resume mideast bilateral peace negotiations in Rome at an unspecific date.

As to prove Syria's readiness to heed the call for self-restraint, Syrian Foreign Minister Faruq al-Shar' has said his country "is not interested in engaging in a military confrontation with Israel and is committed to the peace process."

Israel, preoccupied with its June 23 parliamentary elections, is also aware of the dangers in an uncertain military adventure against Syria. In response to al-Shar's Monday statement, Israel's Defense Ministry officials said Israel was not poised for a war with Syria but only wants to preserve peace in south Lebanon and protection of its citizens against "terrorist attacks" in that area.

The latest cycle of violence in south Lebanon was sparked by a guerrilla attack on Israel's self-designated "security zone" on May 19. In the attack, one Israeli-backed militiaman was killed and four were captured.

Israeli gunners have pounded guerrilla strongholds near the Lebanese-Syrian border in a series of retaliatory attacks in the past few days. The Israeli move reportedly prompted Syria to draft in military reinforcements on the border.

As tension was rising, the U.S. stepped in to withhold the concerned parties from making further moves. The U.S. is fully aware that the outbreak of a military battle would jeopardize the very roots of the peace drive, leading the region to a situation that might give rise to extremism and intransigence on the part of both sides. Such a situation may ridicule the U.S. Administration as "an honest peace broker."

Despite the U.S. endeavor, the concerned parties—Lebanon and Syria on the one hand and Israel on the other—are far from healing their longtime feud, the root cause for tension in south Lebanon. Syria and Lebanon have brushed aside U.S. and Israeli pressures to disarm pro-Iranian Hizballah (Party of God) militiamen unless Israel first withdraws from south Lebanon. But Israel is not prepared, at least for the time being, to pull out unconditionally from the border strip in accordance with Security Council Resolution 425, citing Syria's military presence in the country as an excuse.

Syria, a major power broker in Lebanon, keeps about 35,000 troops in the country under a 1976 Arab League peacekeeping mandate.

Given the complex situation, the observers expressed belief that instability will prevail in south Lebanon indefinitely. But whether the situation would explode into further violence would depend on international and Arab efforts to restrain the concerned parties.

### Iran's Maleki on Central Asian Republics Stance

LD2605083492 Tehran IRNA in English  
0749 GMT 26 May 92

[Text] Beijing, May 26, IRNA—Deputy Foreign Minister for Research Affairs Abbas Maleki here Monday voiced Iran's support for membership of the Central Asian republics in international organizations.

Maleki, who arrived here Monday heading a delegation, outlined Iran's policies towards the Central Asian republics in a session at the Institute for International Studies of Chinese Foreign Ministry. Iran encourages these republics to respect international laws, regulations and the recognized borders. Based on these principles, he added, any threat on the borders of the republics is unjustifiable. Maleki said Iran shares cultural heritage with these republics and favors further promotion of cultural relations.

Failure of the republics to tread on the complicated path to independence with the least tension, will increase the fear that they may fall under influence of Russia once again. There is also the possibility that economic and ethnical tensions will result in a Karabakh-like conflict or that the republics turn to a foreign power to guarantee their security and survival. Another likelihood will be emergence of a number of underdeveloped and poor countries, he said.

### Algerian Scientific Delegation Concludes Accord

LD2305140392 Algiers APS in English  
1013 GMT 23 May 92

[Text] Beijing, 23/05/92 (APS)—A scientific and technical cooperation accord was concluded on Friday in Beijing between Algeria and China. The accord was signed from the Algerian side by Mourad Khelladi, state secretary in charge of scientific research at the Ministry of Universities and Scientific Research and from the

Chinese side by Song Jian, state counsellor and minister in charge of the State Science and Technology Commission. During talks, the two [words indistinct] declared satisfied with cooperation which registered a huge progress in the scientific and technical field. Khelladi, who is leading a scientific delegation, declared that this cooperation between the [words indistinct] be considered as an example in the South-South cooperation. The Algerian delegation, is paying a visit in China at the invitation of the State Commission for Sciences and Techniques and the national society of the nuclear industry of China.

#### 'Roundup' Views Improving South Asian Economies

OW2705174492 Beijing XINHUA in English  
1531 GMT 27 May 92

[Roundup by Mi Ligong: "Reforms Bring About Improvements to South Asian Economies"]

[Text] New Delhi, May 27 (XINHUA)—The outward-looking and liberalization-oriented reforms undertaken in South Asia for the last couple of years have led to improved performance of economies in the subcontinent, a regional conference has confirmed.

The South Asian Development Conference, which concluded here today, was attended by more than 100 decision-makers, senior scholars and researchers from South Asia, the United States, Japan, Southeast Asia and Europe.

Economic reforms were introduced in South Asia about a decade ago and the pace has been accelerated in the economies of India, Pakistan, Bangladesh, Sri Lanka and Nepal since mid-1980s.

Attracting foreign investment, strengthening the role of private sector and boosting exports are among the common features of the reforms in these countries.

These reforms have resulted in perceptible increase in rate of growth of gross domestic product (GDP) in several countries, according to reports tabled at the conference.

India's average annual GDP growth rate increased from 3.6 percent during 1965-80 to 5.3 percent during 1980-89, Bangladesh's from 2.5 percent to 3.5 percent, and Nepal's from 5.2 percent to 6.4 percent.

There was also a significant increase in exports of goods and services. India's exports of goods and services increased from 4 percent of GDP in 1965 to 8 percent in 1989, Nepal's from 8 percent to 13 percent, and Pakistan's from 8 percent to 14 percent.

The effects of the market-oriented reforms can already be seen on the stock markets in South Asia as they were found to be the top performers in Asia in 1991, according to Asian Development Bank Vice-President William Thomson.

The new policies have also attracted more private and foreign investment. In Pakistan, private sector investment in manufacturing is expected to increase by 40 percent with foreign investment showing an even higher rate of growth in the current fiscal year. Direct foreign investment in India doubled in 1991.

Despite these improvements, the reports said, the reform process needs to be continued and expanded if South Asia, one of the poor regions in the world with one fifth of the global population, is to become economically dynamic.

Suggestions relating to the reform process in the next few years put forward by participants of the conference include a radical tariff reform, the creation by governments of a economic and political environment conducive to the reforms, the increase of the productivity of investment and the promotion of regional economic cooperation.

#### Sub-Saharan Africa

#### Benin President To Tour East China Cities

Qian Qichen Meets Envoy  
OW2705130692 Beijing XINHUA in English  
1225 GMT 27 May 92

[Text] Beijing, May 27 (XINHUA)—Benin President Nicephore Soglo and Madame Honorine Soglo are scheduled to leave Beijing tomorrow for a tour of Fuzhou and Xiamen, coastal cities in Fujian Province, East China.

Chinese President Yang Shangkun bid them farewell in the Diaoyutai State Guesthouse this evening.

Yang told the visitors that the tour will enable them to witness the progress of China's ongoing reforms and opening to the outside world.

Yang said that the exchange of visits by the leaders of the two countries is necessary for the expansion of the bilateral relations.

Soglo described his current visit as "unforgettable," saying that he was deeply impressed by the Chinese people's down-to-earth work spirit and their successes in economic development.

Also in the afternoon, Chinese State Councillor and Foreign Minister Qian Qichen and Benin Minister of Foreign Affairs and Cooperation Theodore Holo signed an agreement on visas exemption and an agreement on China providing Benin with a government loan. They also exchanged notes on China's aid to build a hospital in Benin.

Earlier today, Zhao Di, vice-president of the All-China Women's Federation, met with Madame Soglo.

### Zhang Zemin Urges Development

OW2705164592 Beijing XINHUA Domestic Service  
in Chinese 1339 GMT 27 May 92

[Text] Beijing, 27 May (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee, met with Nicephore Soglo, the president of Benin, at Zhongnanhai this afternoon. The two leaders had a friendly conversation on the current international situation, as well as the domestic situations in their respective countries.

According to a Chinese Foreign Ministry official, Jiang Zemin said: Tremendous changes have taken place in the international situation, and both old and new contradictions have coalesced. While hegemonism still exists, the world is not at all peaceful. China holds that only when a just and rational new world order is established can we safeguard world peace and promote the progress of mankind.

Jiang expressed complete understanding as to why Benin has chosen a development program according to unique conditions in its country. He said: No country should automatically copy any development model. A country can succeed only when it has correct policies formulated in consideration of its actual situation.

Speaking on economic development in China, Jiang Zemin said that the basic line of "one central task and two basic points" proposed by Comrade Deng Xiaoping is in full accordance with the actual situation in China. He said: China's experience proves that a country can rapidly develop its national economy only when it enjoys political stability, unity among its various nationalities, and good social order. Economic development can promote stability in the country.

President Soglo thanked China for its efforts to promote friendly relations with Benin. On the domestic situation in Benin, he said: At present, new changes have taken place in Benin's political and economic development, and the country has embarked on a road of rejuvenation. Benin is willing to further develop the cooperative relations with China in all fields so as to achieve its rejuvenation.

### CPC Leader Li Ruihuan Meets Mauritian Visitors

OW2705130392 Beijing XINHUA in English  
1213 GMT 27 May 92

[Text] Beijing, May 27 (XINHUA)—Li Ruihuan, Standing Committee member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, met here this afternoon with a delegation from the Mauritian Militant Movement (MMM), which is led by K.C. Ruhee, a member of the movement's political bureau.

In the meeting, Li referred to the good relations between the Chinese Communist Party and the Mauritian Militant Movement, saying he expects such ties to be constantly consolidated and expanded.

He voiced appreciation for the MMM's support for the "One China" position and its support for China on the nonalignment issue.

Also, he briefed the visitors on China's achievements scored in reform, opening to the outside world and economic construction in the last decade or more.

Ruhee, also minister of civil service and employment, noted that the current trip has enhanced their understanding of China, which he said is Marching along "a very correct path" and has "a very promising future," according to a Chinese source.

The Third World countries all hope to see China further develop and become stronger day by day, Ruhee said.

The Mauritian group is here on a 10-day visit at the invitation of the International Liaison Department of the CPC Central Committee.

### West Europe

#### Tian Jiyun on 'Cooperation' With Sweden

OW2805041292 Beijing XINHUA in English  
0338 GMT 28 May 92

[Text] Stockholm, May 27 (XINHUA)—Chinese-Swedish cooperation in the fields of economy, trade and science and technology can reach a new level on the current base as the economy of the two countries is mutually complementary to a large extent, a senior Chinese official said here today.

In a speech attended by Swedish Government officials and business leaders, visiting Chinese Vice Premier Tian Jiyun said China will further enlarge its economic and technological cooperation and communications with other countries and learn from the advanced experience in business management.

China is to build an operational economic system which is compatible with both China's planned economy coupled with market adjustment and the international standard foreign trade rule, Tian added.

Tian arrived here Wednesday on an official visit, seeking further economic and business cooperation with the Nordic country.

In a related development, the Swedish Government announced today that it decided to lift its ban on assistance to China, which was imposed three years ago.

Deputy Foreign Minister Alf Svensson said Sweden's decision to resume loans to China was aimed at helping the Chinese people and improving health and environmental conditions in the country.

By extending loans to China, Sweden could also reap enterprise orders and create jobs, he said.

Meanwhile, Sweden and China signed four contracts today worth 34 million U.S. dollars. Under these contracts, China will import advanced equipment from Sweden including paper-making and communications machinery.

### Han Xu Briefs Center on Foreign Policy

OW2705224392 Beijing XINHUA in English  
2123 GMT 27 May 92

[Text] London, May 27 (XINHUA)—In the face of present international situation, China will continue to pursue an independent foreign policy of peace and advocate establishing a new political and economic order on the basis of the Five Principles of Peaceful Coexistence.

The remarks were made by Han Xu, president of the Chinese People's Association for Friendship With Foreign Countries.

Han, on a visit to Britain now as guest of the Great Britain-China Center, was invited to deliver a speech entitled "China's Role in World Affairs in the 1990s" at the Royal Institute of International Affairs here this afternoon.

Speaking of the international situation, he said the world today is at a historic turning point. The bi-polar structure characterized by U.S.-USSR confrontation no longer exists. But ours is not a peaceful world and the international community still faces many daunting challenges. The factors endangering world peace and causing international tensions have not been radically eliminated. While old contradictions and confrontation ceased to exist, new ones have cropped up. Europe which maintained relative stability for a long time has become a most unstable area and a new centre of turbulence in the world. In the face of volatile international changes, the question "whither the world?" is now the global concern.

On the domestic situation in China, Han said thanks to internal political stability and continuing economic growth, the reform and opening-up are steadily developing in depth.

After briefly introducing the three-step development strategy for the modernization drive initiated by Deng Xiaoping and the great achievements made during the past 13 years in China, Han said the latest sessions of the National People's Congress and the Chinese People's Political Consultative Conference have given another push to reform and opening-up and economic development as a whole. Reform is aimed at liberating and expanding productive forces, and opening-up means intensifying international cooperation and drawing on and assimilating the achievements of civilization the world over, including the advanced technology of the Western countries. China will take further measures and adjust policies to push up the reform and opening-up.

He stressed in order to translate the blueprint of China's modernization program into reality, the Chinese people ardently desire a peaceful international environment. China will continue to pursue an independent foreign policy of peace and advocate establishing a new political and economic order of peace, stability, cooperation and development on the basis of the Five Principles of Peaceful Coexistence.

He said China's specific policies in world affairs are characterized by the following: China will continue to cement good relations with surrounding countries, China is to strengthen solidarity and cooperation with other developing countries, at the same time, China will further improve and develop relations with the developed countries in the West.

On Sino-British relations, he said, this year marks the 20th anniversary of the upgrading of diplomatic relations between the two countries. Over the past 40 years and more, Sino-British exchange and cooperation have witnessed an all-round expansion. Especially during Prime Minister John Major's visit last year, the memorandum of understanding concerning the construction of a new airport in Hong Kong and related questions was formally signed. The successful settlement of the Hong Kong issue is beneficial not only to Hong Kong but also to China, the United Kingdom and the world as a whole. This signals a new period in Sino-British relations. He hoped that there will be a steady and sustained growth of Sino-British relations and a continued strengthening of the traditional friendship between the peoples of the two countries.

Han Xu arrived here Tuesday. Chinese Ambassador Ma Yuzhen held a reception Tuesday evening in his honor. Among the British guests present were Lord Maclehone, vice president of the Great Britain-China Center, Graham Greene, chairman of the center, Lady Youde, vice chairman of the center, John Chinnery, president of Scotland-China Association and Mrs Ena Niedergang, chairperson of Wales-China Friendship Society.

### Analysis of UK Government Policy Toward Europe

OW2405181492 Beijing XINHUA Domestic Service  
in Chinese 0647 GMT 23 May 92

[“News analysis” by XINHUA reporter Shi Lujia (2457 7627 0163)]

[Text] London, 22 May (XINHUA)—The British Parliament, after two days of debate, adopted a bill to approve the Maastricht Treaty put forward by the Major administration on 21 May with 336 votes for and 92 votes against the bill. Public opinion here held that this was a great victory for the Major administration's new European policy and showed that Britain would further cleave to Europe.

The Maastricht Treaty is the general name for the “Political Alliance Treaty” and the “Economic and Monetary Alliance Treaty” of the EC; it was adopted at

the EC summit in Maastricht of the Netherlands in December 1991. At that meeting, British Prime Minister Major changed his predecessor Mrs. Thatcher's rigid stand of firmly rejecting the integration of Europe. After gaining some concessions from other EC members, he signed the two historic treaties, which were considered as blueprints for building a European alliance with common economic, foreign affairs, security, and social policies. This was a great turning point in Britain's European policy.

The Major administration won the Parliament's support for the two treaties under the situation in which the Conservative Party was faced with a serious challenge. On 9 April 1992, shortly after the conclusion of the general election in Britain, former Prime Minister Thatcher took the lead in launching an attack. She wrote an article in an American magazine, warning Major "not to destroy my cause," implying that Major should not change her European policy. Later, the "doubters about Europe" parliamentarians of the Conservative Party, taking the opportunity of the British queen's visit to and delivery of a speech at the European Parliament, threatened to vote against the Maastricht Treaty when the Parliament was to examine the treaty. Subsequently, Mrs. Thatcher went to The Hague to deliver a speech and wrote an article in newspaper to reiterate her persistent stand toward the integration of Europe.

The "doubters about Europe" headed by Mrs. Thatcher mainly worry about two things: 1) Political and economic integration will eventually lead to the emergence of a "super nation" in the form of a European alliance, thereby weakening or even divesting member countries of their respective sovereignty. 2) In an integrated Europe, the powerful Germany will be in a position with absolute superiority. Other countries will find it difficult to do things contrary to the will of Germany and will not be able to stop the rise of Germany. Besides, Mrs. Thatcher, who always attaches great importance to the traditional relationship between the United Kingdom and the United States, is also worried about the weakening of U.S. influence in Europe by the integration. She holds that the continuous presence of the United States in Europe is indispensable to containing Germany.

To calm the worries of the "doubters about Europe," Prime Minister Major has reiterated that Britain will not lose its sovereignty even as it participates in Europe's integration. He has stressed that at the Maastricht meeting he did not accept the "social charter" aimed at unifying social policies for EC countries. Thus, Britain has preserved its right to "select the time to join" the integrated currency system, and various countries still retain the right to decide their respective foreign policies.

The word "federation" is not found in the treaty, which neither gives supreme power to the European Parliament nor indicates an intention to weaken NATO's role. He holds that the question does not lie in what consequences will be produced by the ratification of the treaty but in whether Britain has the confidence to influence the development process in Europe and to turn it into "the EC we all hope to see."

Before the start of debate in Parliament, Major also moved further away from the EC with regard to some specific issues. For example, he opposed total elimination of customs inspection among EC countries; he also stated his opposition to a unified 48-hour work system. It seems that Major's persuasion and placation have eased some parliamentarians' misgivings about the treaty.

Meanwhile, Major has made it clear that he wants to continue pushing his own European policy. He has said that Britain's future lies in Europe and that Britain should "play a role in the nucleus of Europe," "maintaining a proper balance between close cooperation and state dignity" in the process of moving toward closer alliance in Europe. Speaking recently to the European Parliament, Queen Elizabeth II noted several times the need to build "a big European family," believing that while preserving their respective characteristics, European countries should "strengthen their ability to take action on the basis of Europe." She also said that this was the objective sought by the Maastricht Treaty. Obviously, the queen's speech reflected the viewpoint of the Major administration. Particularly worthy of mention is that the queen was invited to visit the European Parliament many years ago but was unable to make the trip because of Mrs. Thatcher's opposition. The queen's recent visit to Strasbourg was her first in 11 years. Public opinion held that this itself indicates that Britain is drawing closer to the European continent.

First, Britain's pursuit of a new European policy is dictated by the current situation in Europe. Britain has learned from the drastic changes in the European situation in the recent years that only by actively participating in European integration can it preserve its right to speak on European affairs; otherwise it will become increasingly isolated. Second, this is required by its own interests. The European continent is Britain's major trading partner. The volume of its trade with EC accounts for 60 percent of its total volume of foreign trade. Obviously, actively joining the integration process serves Britain's major economic interests. Of course, Britain's drawing closer to the European continent will be restricted by such factors as the special relationship between Britain and the United States. But, on the whole, this trend seems irreversible.

**Political & Social****'Healthy' Deng Inspects Beijing Steel Company**

HK2805100492 Hong Kong MING PAO  
in Chinese 28 May 92 p 2

[By Ku Cheng (0657 1004): "Deng Xiaoping: Reform of State-Owned Enterprises Relies on Emancipation of Mind"]

[Text] China's most authoritative leader Deng Xiaoping said several days ago that the reform of large and medium state-owned enterprises is mainly emancipating the mind [zhu yao shi jie fang si xiang 0031 6008 2508 6043 2397 1835 1927]; the road has long been clearly there [lu li lai ming bai zai na li 6424 2980 0171 2494 2369 0961 6719 6849], it depends on whether or not your direction is correct and whether or not you walk properly [zou de hao bu hao 6382 1779 1170 0008 1170]. Deng Xiaoping made these remarks when inspecting the state-owned Shoudu [7445 6757] Iron and Steel Company last week.

On the morning of 22 May, Deng Xiaoping, at the advanced age of 87, arrived at the Shoudu Iron and Steel Company in Shijingshan on the western outskirts of Beijing by van, accompanied by his wife Zhuo Lin and his daughters Deng Nan and Deng Rong, to inspect the company.

Deng Xiaoping and his entourage got out of the van at the Yuejiyuan Guesthouse of the iron and steel company. Deng Xiaoping looked very healthy, his complexion was ruddy, and he seemed to be in better spirits than he had been during an inspection of south China. After shaking hands with Beijing municipal leaders Li Ximing and Chen Xitong as well as persons in charge of the Shoudu Iron and Steel Company, who had been there to meet him, Deng Xiaoping happily praised the Yuejiyuan Guesthouse by saying: "The flowers here are well arranged, better than those in my house."

**Praising High Science and Technology While Inspecting Iron and Steel Company**

In high spirits, Deng Xiaoping listened to a briefing by Zhou Guanwu, the company's board chairman, on the company's reform for the last 10 years. While listening, Deng Xiaoping chimed in from time to time and fully confirmed the company's boldness in reform. Zhou Guanwu made a briefing on the iron and steel company's development by reform and opening up and said that it has advanced from the last among the eight major iron and steel enterprises in the country before reform 10 years ago to the second now and that without reform the iron and steel company would not have developed like today. On this, Deng Xiaoping interrupted by saying: I agree with you. The reform of large and medium state enterprises is mainly emancipating the mind. With the emancipation of the mind, the brain will work and the scope of thinking will become wide. The road has long been clearly there. First, it depends on whether or not

your direction is correct; second, it depends on whether or not you walk properly. You are right in these two aspects.

After listening to the briefing, Deng Xiaoping rode the van to the just completed No. 4 blast furnace of the Shoudu Iron and Steel Company. Zhou Guanwu told Deng Xiaoping that this blast furnace is of advanced world standards in terms of technology and construction. Deng Xiaoping said quite happily: This is high science and technology! Socialism emerged out of effort [she hui zhu yi shi gan chu lai de 4357 2585 0031 5030 2508 1626 0427 0171 4104]. Large and medium enterprises should seize opportunities to develop vigorously.

**Need Not Be Helped Even When Walking Up Steps**

In front of the blast furnace, Deng Xiaoping shook hands with each of the workers on duty. He looked quite well and the way he walked was not like an 87-year-old man. During his tour, sometimes he did not need any help even when walking up steps.

Deng Xiaoping's tour of the Shoudu Iron and Steel Company last week proceeded in top secret. Some top officials in Beijing did not even know about this beforehand. As soon as he arrived at the Shoudu Iron and Steel Company, however, the news of the visit by "His Excellency Mr. Deng" [deng da ren 6772 1129 0086] spread fast among workers and cadres, who spontaneously came to the roadside of the 10-li steel city to wait for Deng's convoy to pass through. Some workers held placards on which were written "Comrade Xiaoping, We Love and Esteem You!" and "Comrade Xiaoping, We Wish You a Long Life!" When Deng Xiaoping's van passed through the factory area, the workers applauded warmly, many people's eyes were brimming with tears, and some were running after Deng's van waving their hands.

Deng Xiaoping arrived in the Shoudu Iron and Steel Company at about 8 o'clock in the morning and left at about 10:30. When Deng Xiaoping and his entourage returned to Beijing, the Shoudu Iron and Steel Company was already bustling with excitement; workers were beating drums and gongs and firecrackers cracking everywhere.

This reporter met a young worker who had seen Deng Xiaoping in the factory area. He asked him about the feelings and views of the Shoudu Iron and Steel Company's workers on Deng's visit. The young worker said: The Shoudu Iron and Steel Company has had enough "fire" (impetus) in reform over the last few years. The workers' wages and bonuses are higher than at other state-owned enterprises. Some people said "there is something wrong" with the Shoudu Iron and Steel Company. Now Deng Xiaoping has been here, who dares to "say" this any more?

A young grass-roots cadre said: Deng Xiaoping has personally come for inspection and we were happy to see him in good health, because Deng Xiaoping's proposals and line are, after all, China's future.

**Visit Term 'Last-Ditch' Effort**

*HK2805030192 Hong Kong SOUTH CHINA MORNING POST in English 28 May 92 p 11*

[By Willy Wo-lap Lam]

[Text] Patriarch Mr Deng Xiaoping is masterminding a campaign to maintain the momentum of the reform initiative he unleashed while touring southern China in January and February.

Chinese sources said key proteges including politburo member Mr Qiao Shi, Chief Army Commissar General Yang Baibing, National People's Congress [NPC] Chairman Mr Wan Li and vice-premier Mr Tian Jiyun, have been mobilised to ensure that the reform spirit is translated into policy.

While paying lip service to the "Deng line", the conservative camp of the Communist Party has failed to implement the new spirit of fast-paced reform.

Chinese sources said Mr Deng's trip to the Capital [Shoudi] Steel Corp last Friday was a "last-ditch" effort to break through the hurdles erected by the conservatives.

"Upon finishing his southern tour, Mr Deng indicated he had said enough and that he would not speak out again for the rest of the year," a source said.

"His foray to Capital means he is worried that his reforms have been bogged down."

During his three-hour stay at Capital, Mr Deng, who was travelling with his children, expressed support for its pioneering "responsibility system", under which the steel mill has a large degree of autonomy.

Pointing to the fast progress made by Capital, the patriarch reiterated the point he had made in the south that national economic development must be speeded up.

He indicated the six percent growth rate as specified in the Ninth Five-Year Plan [name of plan as published] was not "fast enough".

More important, Mr Deng complained that many cadres were "merely going through the motions" of supporting his call for reform, and that "only a small minority of people have actually done anything concrete".

China analysts said Mr Wan, Mr Qiao, Mr Tian and General Yang had been instructed by the Deng household to spread the word that the momentum of the new blitz was being slowed down.

It was Mr Wan, who is touring Japan, who disclosed to Japanese politicians Mr Deng's trip to Capital.

The NPC chief also assured the Japanese that Mr Deng's reform line would not only survive but that it would be implemented in a "bold" fashion.

The same message is being brought to European leaders by Mr Tian, who is on a tour of Scandinavia.

The role of General Yang and Mr Qiao, who is in charge of the secret police, is to ensure that Mr Deng has both the institutional and extra-constitutional means to break the back of the opposition.

"At the height of the patriarch's tour to the south, the Beijing garrison was put on alert as a means by the Deng camp to put pressure on the conservatives," a military source said.

"Deng has made it clear he may consider the 'military option' should hard-liners continue to erect road blocks to his reforms."

The Chinese media yesterday quoted Mr Qiao as telling a foreign delegation that "people all over the country are diligently implementing the spirit of Deng's (recent) talks".

Mr Qiao added it was under Mr Deng's "direct leadership" that the country had managed to work out a comprehensive reform programme.

**University Said To Expel Professor From Party**

*HK2805111592 Hong Kong AFP in English 1042 GMT 28 May 92*

[By William Brent]

[Text] Beijing, May 28 (AFP)—A leading Chinese university has stripped a professor of her communist party membership after she protested the killing of her son during the 1989 Tiananmen Square crackdown, friends said Thursday.

Ding Zilin, an assistant professor in the People's University philosophy department, was informed Tuesday that she had been expelled from the party and would be banned from advising graduate students, the friends said.

Ding's son Jiang Jielian was shot in the chest and killed when Chinese troops entered the capital on June 3, 1989 to put down a pro-democracy movement in Tiananmen Square. He had turned 17 a day earlier.

Ding, a 32-year veteran party member, granted interviews last June to the American Broadcasting Corp. (ABC) and the British daily The Independent in which she defended her son's involvement in the movement.

She referred to her son as a hero and not a "hooligan," as the Chinese government had characterized some protesters.

The ministry-level State Education Commission and the Beijing municipal party committee decided to strip Ding of her party membership because her views "were at odds with the central government," the sources said.

A university spokesman declined to comment on the incident Thursday, saying the official in charge was away on business.

People's University is one of China's most orthodox Marxist tertiary institutions and the sources accused the school's leadership of trying to use the Ding affair to attack senior leader Deng Xiaoping.

"This is a counterattack with unbridled fury against Deng's speech to guard against the left," one friend said.

Deng said during a series of policy-setting speeches in January and February that the main threat to China's reforms was the "left," a reference to Marxist conservatives.

The university this month put a temporary ban on a collection of essays published by the school, "Historical Trends," which attacks the left and defends Deng's reforms.

The university leaders responsible for punishing Ding, who is in her 50s, were all influential during the ultraleftist Cultural Revolution (1966-76) and have attacked Deng in the past, the sources said.

The officials included Li Wenhui, the university's party secretary, its vice president Luo Guojie and Zhou Xincheng, head of the master's degree program, they said.

Ding's first husband committed suicide during the Cultural Revolution after being persecuted.

Expulsion from the communist party is considered a serious form of administrative punishment in China and hampers a person's opportunities for career advancement.

The Chinese government has yet to provide an accounting of exactly how many people were killed in the 1989 crackdown, saying that families were unwilling to report the deaths of relatives.

#### Magazine Publishes Photographs of Six Prisoners

HK2705152492 Beijing ZHONGGUO XINWEN SHE  
in English 1508 GMT 27 May 92

[Text] Hong Kong, May 27, (CNS)—The June issue of the Hong Kong-based "BAUHINIA MAGAZINE" [Tzu Ching] publishes a total of ten pictures taken in prison of several inmates including Wei Jingsheng, Wang Juntao, Wang Dan, Chen Ziming, Bao Zunxin and Liu Gang.

The prisoners are now serving jail terms for violation of laws in China. There have been a lot of rumours about their conditions in prison. Some said that they were "tortured", "maltreated", while some of them had their "cheek broken" and some others had their "hair and teeth dropped". A lot of critics wrote articles based on

such "news" and individuals capitalized on these messages to launch "protest" and "express support" for those prisoners.

What is the real life? The set of pictures to be published by the magazine is worth to have a look. It was alleged that Wei Jingsheng had lost all his teeth. A picture however showed that he was receiving a regular body check from a doctor in prison on May 9 with a smile on his face. The picture proved that he still had regular teeth. Bao Zunxin had suffered from hypertension before being imprisoned. He has recently been moved into a hospital affiliated with the Beijing reform-through-labor centre. A picture clearly showed that his wife and son paid a visit to him there. Liu Gang once alleged to have his arm broken was seen on a picture playing volleyball.

The whole set of pictures from various angles gives a close look at those prisoners' daily living in prison.

#### RENMIN RIBAO Editorial on Reform, Workers

OW2705125692 Beijing XINHUA Domestic Service  
in Chinese 0949 GMT 27 May 92

[“RENMIN RIBAO 28 May Editorial: 'On Enterprise Reform And the Working Class'”—XINHUA headline]

[Text] Beijing, 27 May (XINHUA)— What is the position of the working class and what role does the working class play in the drive to implement enterprise reform? This is a major question concerning the success or failure of enterprise reform. To answer this question, first, let us take a look at recent relevant reports.

Based on RENMIN RIBAO's report: Six out of seven of Chao Youren's family members are ordinary workers at the Xuzhou Crane Plant. When the factory manager put the reform plan of "reducing all workers' salaries by one grade as an ultimate measure to turn losses into profits" to a vote in a workers' meeting, many people spontaneously glanced at Master Chao. With one lower grade of pay, others would receive about 10 yuan less per month, while the Chao family would receive about 100 yuan less per month! Chao Youren supported the reform measure. He told his family members: If you are thoughtless, I am thoughtless, and everyone else is thoughtless, this "family" will be ruined in no time. He urged his family members to work proficiently despite a reduction in pay.

Based on GONGREN RIBAO's [WORKERS' DAILY] report: Faced with the severe situation of running up losses, Tianjin Municipality's No. 2 Print and Dye Plant decided to carry out deepened reform. Some shop floor workers will take on higher positions after restructuring and about 20 percent of the workers must leave their positions to take on newly organized work. Who shall rise and who shall step down? This is a difficult question. Twenty-five veteran workers wrote a letter entitled "our wishes" to the factory manager, saying: We, the veteran workers who joined the plant at the initial stage of liberation are deeply devoted to our enterprise. We clearly see the need to implement enterprise reform. We

have decided to be front line soldiers in our enterprise's deepened reform; we will happily do what is required of us; the plant's leadership should not worry about our staying or leaving; we must look at the problem from the overall standpoint of revitalizing the enterprise and correctly viewing our own gains and losses amidst the reform."

What wonderful workers! The lively deeds of workers supporting and participating in the reform are very touching. China's working class truly lives up to the name of being the leading class and the masters of a socialist country. Their understanding and support and their role as the main force are the guarantees for the success of enterprise reform. We all know that China's economic system reforms first made breakthroughs in the rural areas. Without the support of the vast number of peasants, we would not have achieved the great results in rural reform in the past ten years or so. Similarly, without the support of the working class, without the support of the workers, the cadres, and the intellectuals, enterprise reform can never be carried out.

In implementing enterprise reform, we must wholeheartedly rely on the working class—this is a guiding thought that must be clearly pointed out. Our reform is not the reform of the leading minority of a certain group of people, it is a reform with the entire working class and the masses as its main body. The goal of the reform is to liberate and to develop production forces, to enhance overall national strength, and to improve the living standard of the people—which also includes improving the living standards of the workers. This was decided by the socialist characteristics of our reform, as well as the CPC's basic principle of whole-heartedly serving the people. Through the reform, we should strive to realize the quality formation of labor organization and to bring to full play the people's initiative and creativity, so that those who excel in labor, work, or mental capacity can do great works and reap huge rewards; through the reform, we should strive to effect enterprises' technological advancements, improve product quality, reduce waste, and increase economic efficiency to increase the state's revenue, improve enterprise profits, and better compensate workers who put in more effort. If the reform is regarded as breaking the worker's "iron rice bowl," then what they will get in return shall be a "silver rice bowl" and a "golden rice bowl." Through the reform, efforts should be made to promote the learning of culture, technology, and management among the workers to greatly upgrade the quality of China's contingent of workers, so that enterprises will have a contingent marked by high standards of technical capability, good management practices, and competitiveness to face domestic and international market competition. Reform is a major task which decides the fate of socialist enterprises and the fate of the workers, it is a struggle with far-reaching significance in line with the fundamental benefits of the working class and the masses.

Reform undeniably means a readjustment of the existing relations of economic interests within enterprises. In the

course of reform, some workers will be paid more because of their greater contribution to efficiency; the jobs of some will be changed and their incomes will be lowered temporarily; and some will become temporarily jobless. It is necessary to explain to workers that all problems resulting from these changes can gradually be solved by improving the economic performance of enterprises and social security services. Making reform is like repairing a road. During the repair, it will unavoidably affect people; but after completion, it will make things more convenient for them. Workers must be taught to conscientiously endure temporary inconveniences and difficulties.

Reform requires arduous and painstaking efforts and cannot be accomplished by raising a hue and cry. Party and government leaders at all levels should pay close attention to dispelling the misgivings of workers, cadres, and intellectuals at large. They should not say and do things that would cause resentment among the people. For example, they should not say they would use "three irons" (iron heart, iron face, and iron wrist) to smash the "three irons" (iron armchair, iron wages, and iron rice bowl). They should make painstaking efforts to conduct ideological education among the workers on matters of public concern. They should also make workers fully understand that the spearhead of reform is by no means directed against the masses of workers, but against the maladies of the old system. Reform, in the final analysis, is beneficial to the working class and to everyone who works honestly. We say that when the river rises the boat floats up—particular things improve with the improvement of the general situation. In the course of reform when workers encounter difficulties, not only the workers themselves but also enterprise managers should help solve the difficulties. Surplus laborers should be absorbed within enterprises themselves through developing new products and starting new services projects. There are still lots of things that can be done. Releasing young workers from their regular work to attend training is one thing that can immensely benefit the development of both enterprises and individuals. This is the thing that entrepreneurs with broad vision should pursue promptly and earnestly. As production and management of enterprises depend on people, improvement of their quality is fundamental for invigorating enterprises. Governments and enterprises should provide proper accommodations for those in need of society's help. Care for people is one of the merits of socialism.

Enterprise reform is the undertaking of the working class itself. The process of enterprise reform is one of liberating and developing productive forces. It is also the process of another emancipation by the working class itself. Reform is for the working class and must rely its understanding, participation, and support. The working class, who is the master of enterprises and our country, is naturally the leader of reforms. Should a question be asked about who the leader of the reform is, we will answer loudly: It is the working class!

**'Noted Reformist' Criticizes Shanghai's Reform**  
**HK2405013992 Hong Kong MING PAO in Chinese**  
**18 May 92 p 8**

[By staff reporter Lin Ling (2651 7227): "Noted Reformist Scholar Wen Yuankai Criticizes Reform in Shanghai"]

[Text] Wen Yuankai, professor of University of Science and Technology and noted reformist scholar who lives in Shanghai, said he felt the atmosphere was relatively relaxed after the "Deng whirlwind." He sighed with regret, however, and said that even a bird would find it difficult to fly after being kept in a cage for a long time. Therefore, it is necessary to emancipate the mind and break with the "well-known dictum" that Shanghai should not "take the lead." It is necessary to have the spirit of being the first under heaven.

Interviewed by this reporter earlier, Wen Yuankai pointed out that the "Deng whirlwind" had the following influences on Shanghai:

On the one hand, Deng Xiaoping affirmed the achievements of Shenzhen's and Guangdong's reforms. This produced a great pressure on Shanghai leaders, who immediately called a meeting to discuss and study the gap between Shanghai and Guangdong. The Shanghai Municipal CPC Committee Policy Department submitted a report comparing Shanghai and Guangdong and Pudong and the four special economic zones. It discovered that the key lies in the fact that Guangdong dares to do everything that is conducive to reform and opening up but Shanghai dares not even when there is a policy allowing it.

On the other hand, Deng Xiaoping's remarks on being surnamed "Zi [capitalism]" or "She [socialism]" had set people's minds at rest. The "Deng whirlwind" inspired large numbers of people adhering to the policy of reform and opening up and suppressed those who were against reform. A relatively relaxed atmosphere thus appeared in China.

Wen Yuankai said he hoped the "Deng whirlwind" could really be put into effect.

In fact, many people still oppose the "Deng whirlwind." Some cadres overtly favor of but covertly oppose the "Deng whirlwind." We still cannot be sure what action will really be taken before the 14th CPC National Congress ends this year.

Who on earth may oppose the "Deng whirlwind?" According to Wen Yuankai, they include lazy people, incapable people, muddleheaded and incompetent cadres, cadres who always flatter their superiors, and those who always get promotions by making others suffer.

Can the "Deng whirlwind" go through the barriers of the many organs and departments at various levels in China? Wen Yuankai believes that the key lies in the decisions

to be made by the forthcoming 14th CPC National Congress on implementing Deng's policy.

He pointed out that although foreign capital has been developing vigorously in Shanghai lately and there is a high tide of investment in Pudong, there is still some distance from the real targets. When asked about his proposals on further reform and opening up in Shanghai, he said: "I hope Shanghai will seize the good opportunity created by the 'Deng whirlwind' and use the central authorities' preferential policies for Pudong to create a relaxed atmosphere and environment and excavate more successful examples in promoting the development of high science and technology."

The quantum chemist and reform advocate continued: Shanghai is superior in science and technological research forces. It has many talented people. However, even to this day, there are still no typical examples of getting rich through science and technology in this city, nor does it have any people in the nation's name list of outstanding science and technological entrepreneurs.

Wen Yuankai said: The people of Shanghai have been bound hand and foot by the planned economy for a long time and are not used to "taking the lead." They are just like the birds which have been kept in a cage for a long time. Once they are freed from the cage, they will still look stupid and cannot easily become lively and active.

However, he expressed the belief that, provided they further emancipate their minds, the people of Shanghai can do a lot of things. In economic development, the relevant authorities should take further measures to absorb foreign capital. They must be more courageous and encourage the development of diverse economic sectors, including the enterprises not owned by the state. They must give full play to Shanghai's superiority in high science and technological talents and take real actions to implement Deng Xiaoping's spirit of reform and opening up.

**Li Peng Meets Reform Forum Delegates in Jiangsu**  
**OW2505002392 Nanjing Jiangsu People's Radio**  
**Network in Mandarin 1015 GMT 24 May 92**

[From the "News" program]

[Text] The first national meeting on exchanging experiences in comprehensive reform at the county level closed in Changshu City this afternoon. Yesterday afternoon, Premier Li Peng of the State Council specifically attended the meeting to meet with all the delegates. He also held discussions with some of them to explore ways to institute a typically Chinese socialist management system and operational mechanism at the county level.

Premier Li Peng made an important speech after hearing briefings by provincial, city, and county delegates. Leading comrades who accompanied Premier Li Peng to his meeting with the delegates in Changshu City and who attended the discussions included Luo Gan, secretary

general of the State Council; Chen Jinhua, minister in charge of the State Restructuring of the Economic System Commission; Shen Daren, secretary of the Jiangsu Provincial Party Committee; Governor Chen Huanyou; and responsible persons from the CPC Central Committee's Organization Department and the Ministry of Public Security.

Li Peng and leading comrades Luo Gan, Chen Jinhua, Shen Daren, and Chen Huanyou had a photo session with all the delegates to the meeting.

On the afternoon of 23 May, Li Peng and leading comrades Luo Gan, Chen Jinhua, Shen Daren, and Chen Huanyou visited the state-run Changshu Bedsheets Factory and the Changshu City Industrial Goods Exhibition Center at the Changshu Kaifa Building. They were accompanied by Changshu City leaders.

The national meeting on exchanging experiences in comprehensive reform at the county level opened on 20 May. During the meeting, delegates from various parts of the country exchanged their experiences in economic restructuring and visited some state-run and village and town enterprises in Changshu City.

He Guanghui, vice minister in charge of the State Restructuring of the Economic System Commission, made a summing-up speech at the closing session this afternoon.

#### **Li Peng Calls Railway Workers After Landslide**

OW2705235992 Beijing XINHUA Domestic Service  
in Chinese 1510 GMT 27 May 92

[By correspondents Shi Yuguo (4258 3768 0948) and Li Hongliang (0060 3163 0081)]

(Text) Xian, 27 May (XINHUA)—On 20 May, landslide interrupted the operation of Baoji-Chengdu Railway. After hearing the report, Premier Li Peng expressed deep concern about the incident. On 23 May, he inquired about the landslide by telephone and expressed his hope that the railway could resume operation as soon as possible.

Railway Minister Li Senmao also telephoned to encourage railway personnel who took part in emergency repairs.

For the past few days, more than 1,000 workers of the Xian Railway Subbureau have worked tirelessly day and night in the landslide area to repair the damage and restore the railway operation. They worked under difficult conditions because the work area was narrow and small and also because rocks were still sporadically falling down from the mountain. By 1000 on 26 May, they had erected 10 stacks of sleepers measuring 7.4 meters on both sides of the railway where the landslide occurred and had laid more than 90 steel rails measuring 12.5 meters long. The emergency repair is still in progress at the moment.

#### **Jiang, Li Write Inscriptions for Shenzhen Paper**

OW2705055292 Beijing Radio Beijing  
in Mandarin to Asia 0900 GMT 26 May 92

[From the "News" program]

[Text] Jiang Zemin, General Secretary of the CPC Central Committee, 20 May wrote the inscription "the window of reform and opening to outside world" for SHENZHEN TEQU BAO [SHENZHEN SPECIAL ECONOMIC ZONE NEWS] to commemorate its 10th anniversary. Yang Shangkun, Li Peng, Tian Jiyun, Gu Mu and others also wrote inscriptions to mark the occasion.

The President Yang Shangkun's inscription was "to base oneself in Shenzhen and face the whole country." Premier Li Peng's inscription was "hope the SHENZHEN TEQU BAO will publicize the party's basic line and show the way through the success of the Special Economic Zone."

#### **Li Peng, Tian Jiyun Instruct on Province's Fire**

OW2605122892 Beijing XINHUA Domestic Service  
in Chinese 0631 GMT 26 May 92

[By reporter Ji Yuncheng (1213 0061 4453)]

[Text] Harbin, 26 May (XINHUA)—A fire that broke out in some grassy areas in Daxinganling's Hanjiayuanzi District at 1340 on 19 May was completely put out at 0505 on 23 May, thanks to the unremitting efforts exerted by the 12,000-strong cadres, workers, firefighters, forest rangers, and liberation army officers and men mobilized in the Daxinganling areas. The firefighters are still carefully checking the area to make sure that the fire is not reignited.

It was reported that shortly after the fire broke out, authorities in the Daxinganling areas immediately organized firefighters to put out the fire. Upon being informed, Heilongjiang Governor Shao Qihui and Vice Forestry Minister Liu Guangyun immediately rushed to the scene to direct the battle.

The State Council, the State Forest Fire Prevention Headquarters, the Ministry of Forestry, and the Heilongjiang Provincial Party Committee and Government attached great importance to the fire. Premier Li Peng and Vice Premier Tian Jiyun issued important directives, instructing that main forces be deployed to put out the fire as quickly as possible with the greatest determination and the most resolute measures.

The wooded areas under the Hanjiayuanzi Forestry Bureau are located in Heilongjiang's Huma County. Although they had not had a fire for years, the uninhabited and quite inaccessible areas have plenty of flammable substances. Compounded by many days of hot weather, the battle against the fire was exceedingly difficult. Taking prompt and decisive action and disregarding difficulties, the fire prevention headquarters of

Heilongjiang and the Daxinganling mobilized all sorts of firefighting personnel and equipment to battle the fire with all-out efforts. They eventually put the fire out in a relatively short time. The firefighting network established after the devastating forest fire in the Daxinganling areas in 1987 played an important role in putting out the fire this time.

It has been learned that, although the fire was rather widespread, the damage it caused was quite minor because only grassy areas and scattered trees have been burned.

**Chen Yun's Secretary Inspects County in Guangdong**  
**HK2605074992 Hong Kong MING PAO**  
*in Chinese 26 May 92 p 2*

[("Special article" by staff reporter Yang Liu (2799 2692): "Sons and Son-in-law of Three CPC Senior Statesmen Participate in Investment in Huizhou and Chen Yun's Secretary Recently Inspected Huiyang")]

[Text] Lin Huichun, Huiyang County magistrate who is trying to attract investments in Hong Kong, confirmed that a confidential secretary of Chen Yun, surnamed Shi, inspected Huiyang in late April and listened to work reports by local cadres. In addition, Chen Yun's second son Chen Fang, Deng Xiaoping's son-in-law Wu Jianchang, and Liao Chengzhi's youngest son Liao Chun have all participated in investment projects near Huizhou.

In an interview with MING PAO yesterday, Lin Huichun said that Secretary Shi visited Huiyang around 23 April and stayed there three days after visiting Shenzhen and other places. During his inspection in Huiyang, Lin Huichun accompanied him one particular day and briefed him on the Huiyang area's situation in reform, opening, and foreign investment. Mr Shi expressed high interest in all this information.

When returning to Beijing, Mr Shi took some materials he asked Lin Huichun to compile for him. The contents of the materials were in five parts:

1. The developing county-level economy.
2. The developing enterprise- or unit-level economy.
3. The economic situation at township and town level.
4. The economy at the village level.
5. The individual economy.

Some time ago, it was rumored in Guangdong and Hong Kong that Chen Yun would travel south to inspect Shenzhen in the near future. This stimulated a sharp rise of 50 percent in the Shenzhen stock market. However, Lin Huichun said that she had not heard about this and Mr Shi, Chen Yun's confidential secretary, did not indicate that Chen Yun would make an inspection trip to the south in the near future.

It is learned that although Chen Yun has never been to Guangdong, his second son, Chen Fang, frequently travels between Beijing and Huizhou.

Chen Fang is now general manager of Zhongshan Enterprising Company, which is affiliated to the Song Qingling Foundation in China. His company has investment projects in Huizhou. Recently, Chen Fang signed a contract with Guiyang County on a project for building a science and technology (industrial) estate with an area of 400,000 square meters and a residential and commercial housing project with an area of 25,000 square meters in Danshui Town. The amount of investment totals about 1 billion yuan.

Liao Chun, youngest son of Liao Chengzhi, late director of the State Council's Hong Kong and Macao Affairs Office, also participated in development and construction in the Zhu Jiang Delta around Huizhou in his capacity as the responsible official of the Neilian Company.

In addition, Wu Jianchang, Deng Xiaoping's son-in-law (Deng Lin's husband), being responsible person of a certain department of the China National Nonferrous Metals Industry Corporation, recently decided to make an investment in Huiyang to build China's largest metal processing industry base.

**Zou Jiahua on Planning Administration Reform**  
**HK2405063092 Beijing JINGJI RIBAO**  
*in Chinese 29 Apr 92 p 3*

[("Selected New Views" Column: "Zou Jiahua, State Council Vice Premier and Minister of State Planning Commission: Planning Administration Reform Calls for Sense of Urgency")]

[Text] Although some improvement has been made in our planning work in recent years, the strides were not great enough, with quite a few issues calling for improvement; these are mainly the following: In work, we are still used to the approach of mandatory plans, while leaning on distributing investment, approving projects, and fixing indexes; and the range of tuning and control is limited to economic activities of ownership by the whole people with the plan's coverage increasingly shrinking. Some comrades said that, today, a phenomenon has surfaced by which mandatory plans have no mandatory effects, guidance plans fail to give guidance, and a laissez-faire attitude is adopted in respect of market regulation. At a forum called not long ago, two views were aired regarding planning work: One views present-day planning work from the past, believing the Planning Commission's existence is no longer a must. Such a view confines the Planning Commission's work to mandatory plans. Hence, the Planning Commission can be dispensed with because of shrinking mandatory plans. The other view is just the opposite: that the tasks for planning work are rather heavy today. The requirements of the

new situation and tasks on planning departments have not reduced, but become heavier. To my mind, the latter view is correct.

Presently, great changes have taken place in the objective situation facing planning work. First, it is the change of the planned economy to the combination of the planned economy and market regulation. Economic operation has gradually changed from the pattern of highly centralized planned economy to that of the planned commodity economy. That is a very great change. Second, under the guidance of the reform and opening up policy, the localities have rather great autonomy. It was unified arrangements in the national plan in the past, while the localities were involved only in their implementation. Today, the localities are able to make arrangements for their own economic work to a very large extent. Third, the localities' economic strength is greatly augmented because of the practice of separate budgetary plans for the central and local authorities and the implementation of contracted responsibility with finance. Fourth, all State Council departments used to have a large number of enterprises directly under their jurisdiction, and those departments were like some big corporations. Now, those departments have become functional departments in charge of certain trades, and their work requirements are different from the past. Fifth, although ownership remains public ownership in the main, various economic factors are fast developing; today, it is the coexistence of ownership by the whole people, collective ownership, individual ownership, private ownership, joint-venture with Chinese and foreign investment, and the joint-stock system. Sixth, the planned economy today is no longer of the past unitary mandatory nature, for the size of the guidance plan has grown considerably and the market regulation portion is also rapidly increasing. In the entire plan, mandatory plans account for only 17 percent. Mandatory plans no longer exist in agriculture, whereas mandatory plans in industry account for only around 16 percent of the gross industrial output value. There are not many mandatory plans in the circulation area, with price restrictions on the overwhelming majority of commodities lifted. Seventh, opening up to the outside world has resulted in a great development in foreign economic relations and trade. In the past, foreign economic relations and trade were monopolized by the state in a rather small scope. Today, such form no longer exists. The localities and departments are all pursuing foreign trade in a more extensive scope. Eighth, all trades and professions as well as localities are conducting reform, with very rich essences. The series of reforms, including the building of special economic zones and development districts and the development of the tertiary industry, have set new requirements on planning work. Ninth, pluralism in the subjective aspect of investment. In the past, it was unified state control over income and expenditure, and the state allotted funds for construction; today, funds collection is conducted through multiple channels, and the state, departments, and localities collect funds through state allocation, acquiring loans on

their own, or utilizing foreign investment. The proportion of fixed assets directly under state arrangements accounts for only 18 percent of the social investment volume.

In a nutshell, the situation today is pluralism in the ownership structure, main aspects of general interests, and investment channels as well as in planned control forms. The State Planning Commission's work must suit these changes. At the same time, one point remains unchanged despite the great changes in the situation: namely, the State Planning Commission must consider economic and social development from the angle of the whole situation and national economy's long-term development. The State Council requires that we study and consider issues from the plane of the development and whole situation of the entire nation; otherwise, the State Planning Commission is not worthy of being the State Council's largest comprehensive department at the highest tier.

Changes have taken place in the situation in many aspects; there also must be corresponding changes in our thinking, concepts, and methods. Only then will it be possible for us to conform to the requirements of the objective reality and take up the tasks the State Council has assigned us.

Our comrades engaged in planning work must form a concept in our minds: reform is imperative and inevitable. Economic and social development and productive force improvement call for reform. If our work does not fall in line with productive force development, we must consciously conduct reform. This being the case, it is imperative to firmly carry out reform and opening up. Our planning work must conform to reform's requirements; otherwise, it will be eliminated through selection. Today, we are facing such an objective situation, and we must have a sense of crisis and urgency.

**Zou Jiahua on Need To Boost Information Work**  
HK2305030292 Hong Kong CHING CHI TAO PAO  
in Chinese No 19, 18 May 92 p 21

[“China economic news” article: “Zou Jiahua Stresses Need To Boost Information Work”]

[Text] Zou Jiahua, State Council vice premier and minister of the State Planning Commission, stressed the need to bolster information work. He said: Seizing the work on information is an important State Planning Commission function. It is an important means to carry out the industrial policy and strengthen macroeconomic regulation and control; it is also a principal factor in serving the enterprises and the market.

Zou Jiahua pointed out: Efforts should be made within the year to draw up, as well as firmly carry out, a plan to boost economic information work; a leading group on information and consultation work will be set up at the State Planning Commission to provide unified guidance and planning on the collection, study, forecasting, and

distribution of information at the State Planning Commission; an economic information distribution system should be established, with a news briefing scheduled once every quarter in principle while major policies and information will be announced at all times. Full preparations should be undertaken to disseminate information at various levels, from various angles, and in various methods to broaden the scope of coverage.

**Wu Xueqian Inspects Guizhou Province 23-26 May**  
*OW2705092192 Beijing XINHUA Domestic Service  
 in Chinese 0314 GMT 27 May 92*

[By reporter Chen Yunzhen (7115 0061 3791)]

[Text] Guiyang, 27 May (XINHUA)—During his recent inspection tour in Guizhou Province, Wu Xueqian, member of the CPC Central Committee Political Bureau and vice premier of the State Council, stressed: Guizhou Province should utilize its own advantages and develop its tourism-related resources so as to gradually accelerate the pace of economic progress throughout the province.

From 23 to 26 May, Vice Premier Wu Xueqian led responsible cadres from the National Tourism Administration and the State Council's Office of Taiwan Affairs in an inspection tour to Guizhou's Anshun and Guiyang. They went deep into factories, workshops, and tourist resorts to study the situation; and they jointly explored new ways of developing the economy with enterprise cadres and management personnel. Wu Xueqian said: Guizhou's weather is mild with beautiful natural scenery. It has many national customs and traditions, sites of revolutionary significance, resorts, and places of historic interest. It has very good prospects for the tourism trade. We should strive to accumulate and attract funds to develop some scenic spots into first-class resorts of the world so that the development of tourism will enhance the local economy.

Wu Xueqian pointed out: Tourism is both an economic as well as a social endeavor. If it is well developed, it will not only be conducive to Guizhou's social and economic development, but will also promote the construction of Guizhou's socialist spiritual civilization. We should strengthen efforts to publicize the tourist trade, unify our plans, specify the key projects, gather funds, and develop projects in stages so as to achieve better economic results. Meanwhile, we should pay attention to resolving issues, including tourists' food, accommodation, transportation, and entertainment, and the construction of other tourist-related facilities. We should realistically develop the tourism industry as an important component of the tertiary industry.

**Li Ruihuan on Ideological, Political Work**  
*OW2705215492 Beijing XINHUA Domestic Service  
 in Chinese 1245 GMT 27 May 92*

[By RENMIN RIBAO reporter Zhang Shusheng (1728 6615 5110) and XINHUA reporter Wang An (3769 1344)]

[Text] Lanzhou, 27 May (XINHUA)—"At present, studying well, publicizing well, and implementing well the important talks given by Comrade Deng Xiaoping early this year are important tasks for the whole party and the propaganda front. They are of course also an important part of ideological and political work in enterprises." This is an important view expressed by Comrade Li Ruihuan. It was conveyed by Xu Weicheng, executive deputy director of the Central Propaganda Department, to the seventh annual meeting of the Society for the Study of Workers' Political and Ideological Work which opened in Baiyin today.

On 21 May, Li Ruihuan, member of the Standing Committee of the Political Bureau of the CPC Central Committee, listened to work briefings by responsible persons from the Central Propaganda Department and the Society for the Study of Workers' Political and Ideological Work. He said during the briefing that both Comrade Jiang Zemin and Comrade Li Peng are very concerned about the meeting and hope that it will be well convened. Li Ruihuan emphatically expressed his views on the important questions of how to implement well the important talks given by Comrade Deng Xiaoping early this year and how to surely improve ideological and political work in enterprises.

Li Ruihuan said: We should apply the theory and line of building socialism with Chinese characteristics advocated by Comrade Deng Xiaoping in unifying our thinking. This will have an important bearing on the destiny of our party and our country. Practice proves that in present-day China only this theory and line can resist storms, consolidate our political power, and help us develop. We must wholeheartedly treasure and persistently adhere to this theory and line. The important talks given by Comrade Xiaoping early this year have upheld, enriched, and developed this theory and line and answered many important and fundamental current questions at home and abroad. His talks are of great and profound theoretical significance, clearly accord with reality, and evoke strong repercussions at home and abroad. We should study them seriously and assiduously, understand them comprehensively and accurately, and implement them wholeheartedly. Disastrous consequences will occur if we are half-hearted or perfunctory, if we waver in implementing them, or if we depart from them. At present, studying well, publicizing well, and implementing well the talks is an important task for the whole party and the propaganda front. It is of course also an important part of ideological and political work in enterprises.

Commenting on the purpose of ideological and political work, he said: Ideological and political work should be for economic and vocational purposes only. We should persistently take economic construction as the central task and do ideological and political work in conjunction with economic work. We must not do aimless political work, nor practice "two separate sheets of hide [separating ideological and political work from economic work]." When we say that the party's basic line should be

upheld for 100 years, we also mean that the status of economic construction as the central task will remain unchanged for 100 years. For this reason, we should not separate ideological and political work from economic construction, which is the central task. Nor should we make ideological and political work the central task, or have two or more central tasks to obstruct economic development. In doing ideological and political work, we must raise our awareness of the need to implement the party's basic line, enhance the notion of serving economic construction, conscientiously subordinate ourselves to and serve economic construction, and promote the progress of economic construction. Ideological and political work can play its unique role and show its value only when it occupies a suitable position in the course of economic construction, reform, and opening up to the outside world. In this way, ideological and political work will certainly be able to play its role to the fullest and always be in its "springtime."

He said: The main task of ideological and political work should be to arouse the masses' enthusiasm. The people are the masters of history, and the masses are the main force engaging in practice and understanding. In the final analysis, the success and failure of our cause are decided by the people and by "the masses' willingness and initiative." Ideological and political work is designed to educate the masses in various ways, make them know their interests and responsibility, make them work hard voluntarily for their own interests, and shoulder their designated responsibilities. In other words, it is designed to arouse the masses' initiative and enthusiasm so that they will do a good job in building the country.

Li Ruihuan pointed out: Since the Fourth Plenary Session of the 13th CPC Central Committee, great achievements have been made in ideological and political work in enterprises. We should seriously sum up experiences, enhance our achievements, overcome our shortcomings, and do an even better job on the existing basis. Present efforts to deepen reforms, change the operating mechanism of enterprises, and reform the labor, personnel, and wage systems will inevitably break free from some conventional ideas to which people are accustomed and will affect some people's vital interests. It is necessary to study and deal with many new circumstances, new problems, and new contradictions. Ideological and political workers will have more and more work to do in resolving contradictions, harmonizing relations, and pacifying grievances. We might say that there will be ample scope for their abilities. Their responsibilities have become heavier. The Society for the Study of Workers' Political and Ideological Work should give play to its strong points and make positive contributions in this regard.

Yuan Baohua, president of the Society for the Study of Workers' Political and Ideological Work, delivered a report at the meeting entitled "Thoroughly Study and Implement Comrade Deng Xiaoping's Important Talks, and Seriously Improve Ideological and Political Work in Enterprises." The Central Propaganda Department, the

State Planning Commission, and the All-China Federation of Trade Unions jointly commended and awarded prizes to 102 enterprises and 100 individuals in recognition of outstanding ideological and political work in fiscal year 1990.

#### **Li Ruihuan, Li Tieying Attend Stage Performance**

*OW2305114792 Beijing XINHUA Domestic Service in Chinese 1520 GMT 22 May 92*

[By Central People's Broadcasting Station reporter Liu Zhenying (0491 2182 5391) and XINHUA reporter He Ping (0149 1627)]

[Excerpt] Beijing, 22 May (XINHUA)—The "talks" that came into being 50 years ago at the foot of Yanan's Baota Shan are, like a towering lighthouse flashing through rains and mist, pointing the way for the development of China's literature and art. This evening, a theatrical performance entitled "Bumper Harvest on Great Earth" was staged to celebrate in song the 50th anniversary of Chairman Mao's "Talks at the Yanan Forum on Literature and Art."

The theatrical performance was held at the studio of the China Central Television Station. Li Ruihuan, Li Tieying, Ding Guanggen, and others attended the performance. [passage omitted]

#### **Science & Technology**

##### **Exhibition in Urumqi on National 'Spark Program'**

*OW2605110092 Beijing XINHUA in English 0959 GMT 26 May 92*

[Text] Urumqi, May 26 (XINHUA)—An exhibition and fair featuring the achievements of the "Spark Program" here has attracted more than 6,500 visitors and factory executives over the past few days, according to organizers.

On show are more than 3,200 items of patented and advanced technology which can easily be applied and made to yield quick returns.

The "Spark Program" was put into execution in 1986 nationwide, aimed at spreading and encouraging the application of advanced technology that can give quick returns in the rural areas, especially in township enterprises. In the short span of six years more than 27,900 items of technology have been developed. Besides, it is estimated that the application of the new technology has produced an additional output value of 33.9 billion yuan and export earnings totalling 3 billion U.S. dollars. In addition, more than 6.5 million technicians have been trained in the countryside.

The exhibition and the fair were organized by the State Science and Technology Commission and the Xinjiang Uygur autonomous regional government.

**Nation Offers Satellite, Spacecraft Test Service**

HK2805025192 Beijing CHINA DAILY in English  
28 May 92 p 2

[By staff reporter Li Hong: "China Offers Satellite Test Service"]

[Text] China, one of the world's space technology leaders, is capable of providing foreign countries with advanced service to test satellite and spacecraft durability and adaptability, an official with the Chinese Academy of Space Technology (Cast) says.

Zhang Baofu, a senior engineer and chief of Cast's Beijing Tianxin Satellite Environment Engineering Technology Company, says that the country has offered the service to Brazil and Pakistan in the past few years.

And now, it is considering selling the service to possible clients in South Korea, Indonesia and other developing countries. Zhang said that Iraq applied to Cast for the technology prior to the Gulf War.

A comprehensive test to check a satellite's ability to endure launch vibration, noise and the changing space temperature (as high as 200 degrees Centigrade and as low as -196 degrees Centigrade) is indispensable before its flight, Zhang said.

China, since 1968, has developed about 100 spacecraft test laboratories, which previously only the United States, the former Soviet Union and the European space union were capable of building, Zhang said.

**Ministry Analyzes Causes of Failed Rocket Launch**

HK2805055792 Hong Kong MING PAO in Chinese  
27 May 92 p 7

[Report: "China Analyzes Four Main Reasons for Unsuccessful Launching of Australian Satellites"]

[Text] Following the unsuccessful launching of the Australian satellites, China's Ministry of Aeronautics and Astronautics Industry analyzed the four main reasons behind the failure in a self-criticism report to the State Council.

Sources revealed that the first reason outlined in the report is: In implementing the 16-character guideline of "army-people integration, integration in times of peace and war, priority to military production, and using civilian production to support military production," it failed to satisfactorily resolve the relationships involving the different aspects of guiding ideology, organizational assurance, policy formulation, and others. In particular, in handling the relationship between insistence on the primacy of military production on one hand and development of civilian production on the other, there was a lack of forceful measures and effective regulation and control as well as a serious dispersal of leadership efforts and technological resources, all of which directly affected

the quality of scientific research and production, rendering the issue of constant improvement practically moot and irrelevant. The report claimed that unless decisive measures are taken to reverse this situation, there is greater danger lurking ahead.

The second reason is: Concerning the guiding ideology on quality consciousness and work, there are serious problems of emphasis on cure rather than prevention and of neglect of quality control in the process of design and production. Devoting the principal effort to tests and being content with a one-time success in experiments is neither scientific nor comprehensive. In fact, this problem was illustrated in the failure of the eighth attempt to launch the Long March-3 rocket in this particular instance. Hence, despite care and caution exercised before the launch and despite the vast amount of work undertaken, hidden peril which has not been eliminated totally continues to exist.

Third, concerning management, the principal Ministry of Aeronautics and Astronautics Industry officials devoted their energy primarily to micromanagement. In macromanagement, they have a low awareness of modern management on one hand, and on the other hand, they lack strong and forceful legal measures. For a very long time now, the problem of excessive documents, excessive meetings, few investigations and research, and weak implementation was not addressed, leading to chaos and loopholes in their work.

Fourth, there is a lack of correct and forceful direction to motivate the drive for economic benefits, leading to simplification of experiments and decline in quality, which, in turn, affect the overall situation.

**Qinghai-Tibet Plateau Listed in Research Plan**

OW2605180392 Beijing XINHUA in English  
1619 GMT 26 May 92

[Text] Xining, May 26 (XINHUA)—China's State Science and Technology Commission decided recently to list research on the Qinghai-Tibet Plateau as one of the state's primary theoretical research projects during the Eighth Five-Year Plan period (1991-95).

Sun Honglie, vice president of Chinese Academy of Sciences, said this during a symposium held today in Xining, capital of southwestern China's Qinghai Province.

The Qinghai-Tibet Plateau, which covers Tibet Autonomous Region and Qinghai Province, is the highest in the world.

Some experts had been making expeditions in Tibet for more than twenty years before concluding them in August, 1990.

Sun said that the next stage of research work will be deeper and more sophisticated. More than 200 experts will take part in the study of environmental changes, the

ecosystem, and the formation of the Qinghai-Tibet Plateau. They will combine studies with research on global environmental changes.

### Yangpu Bridge Towers To Be Completed in Jun

OW2405033492 Beijing XINHUA in English  
0300 GMT 24 May 92

[Text] Beijing, May 24 (XINHUA)—The two 208-meter tall towers supporting the Yangpu Bridge, to be the city's second cable-stay bridge, will be completed by the end of June.

The Yangpu Bridge, formerly known as the Ningpu Bridge, is scheduled to be completed by the end of 1993.

According to Zhu Zhihao, director of the construction project, the Yangpu Bridge will be the world's largest cable-stay bridge, with a span of 602 meters.

The Yangpu Bridge towers are the highest under construction in Shanghai. The bridge is 48 meters above water.

The six-lane bridge, which is 30.35 meters wide, costs 1.2 billion yuan (more than 200 million U.S. dollars) in total investment, up 380 million yuan over that of the Nanpu Bridge, another bridge across the Huangpu River in Shanghai. The Nanpu Bridge will be the third largest cable-stay bridge, with a span of 423 meters, in the world, following the one in Canada.

### Science TV Documentary To Focus on Past, Future

OW2405062692 Beijing XINHUA Domestic Service  
in Chinese 0431 GMT 22 May 92

[Text] Beijing, 22 May (XINHUA)—After six months of preparation, the filming of an eight-part television documentary "Spanning Time and Space," jointly produced by the Beijing Television Station and KEJI RIBAO [SCIENCE AND TECHNOLOGY DAILY] and in cooperation with the Beijing Scientific and Technological Cooperation Center, formally began recently.

"Spanning Time and Space" is a large-scale series that reviews and analyzes the past, present, and future of China's science and technology from the standpoint of reform, opening to the outside world, and future development. It delves into China's historical experience and lessons learned during the course of scientific and technological development. It probes eight aspects—challenge and crisis, past glory and recent seclusion, structure, market, talent, education, scientific spirit, and future trends—as well as why this ancient country, which had brought about the "four great inventions" and other great achievements, has not produced anything in modern science and has slid into a passive and vulnerable situation. It describes the several millennia in which our ancestors built a scientific and technological civilization and made important contributions to human society, pointing out that the survival crisis we currently face has been engendered by backwardness in science

and technology. It explores China's achievements that have captured the attention of the world against the backdrop of important changes in the global political situation—changes brought on by the rapid advancement of technology in the world—and the profound reasons why it is very difficult to transform technology into a productive force when the old scientific and technological structure has worn out. It also probes the relevant factors affecting technological progress and the trend of future development. Against the present great historic backdrop of reform, opening to the outside world, and the socialist modernization drive with Chinese characteristics, the knowledge, understanding, and respect for scientific and technological truth has extraordinary significance and value.

### Military

#### Army Paper Praises Deng's Southern Tour Remarks

HK2605151192 Beijing JIEFANGJUN BAO in Chinese  
13 May 92 p 3

[Article by Rao Xinjian (7437 2450 1696): "Philosophic Not Equals"]

[Text] Comrade Deng Xiaoping's speeches delivered during his southern inspection tour point out that the market-directed economy is not tantamount to capitalism, there is also a market in socialism; the planned economy is not equal to socialism, there is also planning in capitalism. These two "not equal tos" are extremely important and imply a profound philosophical principle. When people carefully ponder it, they can gain a great deal of enlightenment from it.

Over a long period of time, we have equated the planned economy with socialism and the market-directed economy and commodity economy with capitalism. The presence of such a trend of thought is due to both the shackles of dogmatism and the influence of the metaphysical mode of thinking, which cannot be underestimated. Whatever we look at, we are always accustomed to seeing whether it is "socialist" in nature or "capitalist" in nature. We divide things completely into two antagonistic extremes: It is either this or that, it must be one of these two, it is either red or black. If a measure for reform is not socialist, it must be capitalist; if a mode of life is not proletarian, it must be bourgeois. Socialism cannot use whatever the bourgeoisie has used. These two things that do not equate to one another that Comrade Deng Xiaoping has put forth have broken with the metaphysical mode of thinking and emancipated people's minds very greatly.

According to these two things that do not equate to one another, either a planned economy or a market-directed economy is a measure for developing the economy but not an economic system in society, and therefore no question of whether it is "socialist" in nature or "capitalist" in nature exists. Whatever capitalism can utilize, socialism can utilize likewise. As Engels said: "A law that

is applicable to a certain mode of production and form of exchange is also applicable in all historical periods that possess such a mode of production and form of exchange. For instance, with the adoption of metal money, a series of laws have been effective, and these laws are applicable in all countries and historical periods if exchange is conducted by means of metal money." Here, Engels stressed "all historical periods" and "all countries." This expounds the universal significance of economic laws in terms of time and space. We cannot, therefore, misjudge things that have no class attributes themselves as "capitalist" in nature and exclude them; even those things that are "capitalist" in nature, like foreign capital and private capital, can be used by "socialism" under certain conditions and to a certain extent, and should be not rejected. Doing so is beneficial to socialism and we can benefit in the aspects of taxes and labor service.

These things that do not equate one another have also solved the "unsolved riddle" that had puzzled people for a long time: In the end, which is better, a planned economy or a market-directed economy? This question can be likened to the question of "whether rain is good or bad." We must conduct specific analysis and must not affirm or negate it in the abstract. If it rains after seeds are sown, this will be very good for the growth of crops; conversely, if it rains very hard at the time of reaping, this will be extremely harmful. The key lies in whether rain is advantageous to the growth and harvesting of crops or not. Likewise, the key to whether a planned economy is good or a market-directed economy is good lies in whether it is beneficial to the development of the social productive forces or not. This is where the crux of the question lies. As Comrade Deng Xiaoping said: "We embarked on planned economy in the past, and this certainly was a good method, but many years' experience shows that the mere application of this method will fetter the development of the productive forces. We must integrate the planned economy with a market-directed economy. We can thus further emancipate the productive forces and speed up the development of the productive forces." This explains that the planned economy cannot be divorced from the market and a market-directed economy cannot go without planning. Only by organically integrating "planning" with the "market" can we have bright prospects and plenty of scope for development.

#### Column Forecasts Military Leadership Changes

HK2605010092 *Hong Kong PAI HSING* in Chinese  
No 264, 16 May 92 pp 10-11

[("Newsletter from Beijing" column by special correspondent: "New Situation of the Yang Family in Deng Family-Dominated China—Major Personnel Changes To Take Place in Military Leadership"]

[Text] So far Deng Xiaoping has waged three waves of propaganda movement since his spring offensive for regaining power over reform and opening up. These were

"The East Wind Brings Spring All Around," published on 26 March; the "CPC Central Committee Document No. 2," published on 7 March; and the "Nanhai Spring Tide," published on 17 April. These three big articles [as published] have long been widely disseminated by the mainland media and have evoked repercussions in the country and abroad. One may well say that full efforts made been made.

#### The Effects of the Deng Whirlwind

Even without a profound study, the effects of the three grand- and spectacular-scale waves of public opinion offensive stirred up by the Deng whirlwind have made themselves felt at least in the following aspects:

The first is in the CPC Central Committee's Political Bureau, which is the leadership core of the CPC. Printed in black and white, a red letterhead document lauds a series of Deng Xiaoping's recent remarks as guiding principles for reform and opening up which the party, the government, and the Army should implement and carry out. Jiang Zemin, the core of the leadership of the third generation, had no alternative but to sing in chorus with the others, although he could do nothing with regard to Deng Xiaoping's replacement of his supreme decisionmaking power.

The second was in the last session of the Seventh National People's Congress [NPC]—China's supreme organ of power—which approved the State Council's Government Work Report. As everyone is aware, this report was read to the NPC session by Li Peng on behalf of the State Council (Li Peng was leader of the drafting group), but after being examined and discussed by NPC deputies, some additions and deletions were made, giving prominence to Deng Xiaoping's guiding principles. Obviously the "rubber stamp" could not be controlled by Li Peng any more. Deng Xiaoping's strong east wind was quite powerful, after all.

The third is in the breakthrough change in the Central Advisory Commission—the leftist-controlled veterans' organization. Bo Yibo and Song Renqiong, who are on the commission, and Peng Zhen, who is not, have already expressed their stands on Deng Xiaoping's remarks. Big Beard Wang [Wang Zhen] is critically ill and in a coma. Li Xiannian had no choice but to follow him. As for those enlightened personalities in the Central Advisory Commission who had always supported Deng Xiaoping's line—people call them "gun barrels"—Li Rui, Yu Guangyuan, and Du Runsheng are now active again and are shooting off their mouths one after another. Deng Liqun and his leftist followers are still holding their position and keeping watch. They have gone underground, temporarily deterred by the Deng whirlwind.

#### Deng Xiaoping's Next Move

What is Deng Xiaoping's next step? What move will he make? This is the focus of people's attention.

It is generally believed that Deng Xiaoping-controlled active reformers will certainly continue to show their prowess subsequent to his spring offensive. They will really do something significant in "guarding against left tendencies." In other words, they will proceed from regaining the power of control in the cultural and propaganda fields. News is spreading in Beijing that Deng Xiaoping has frequently talked to Li Ruihuan, Political Bureau Standing Committee member specially in charge of ideological work. Deng asked Li: "Why are these people still allowed to control the media?" Helplessly, Li answered: "Jingzhi (He), Renzhi (Wang), Aizhi (Ai Zhisheng), and Muzhi (Yuan Mu and Zhu Muzhi) cannot differentiate between high and low (Gao Di) [RENMIN RIBAO director]." None of these five people mentioned by Deng Xiaoping and Li Ruihuan on several occasions have been transferred. Why? The answer is that either the might is not powerful enough, the opportunity is not ripe, or Deng Xiaoping has another clever scheme.

It can be seen now that the Deng whirlwind is shifting from something "ideological" to something "practical." It is difficult for them to get off the tiger's back, but they are also unwilling to give up. This is unquestionable. The problem is where the great Mr. Deng will proceed to improve his prowess and strength and to choose an opportunity for rearrangements so as to prevent rightist and leftist impacts and realize his idea of speeding up and deepening reform and opening up. In the short run, he is preparing for a meeting soon to be held in Beidaihe, during which some leaders will be relieved of their posts. The convening of an enlarged meeting by the Central Military Commission prior to the upcoming Beidaihe meeting was an important measure displayed for the first time by Deng Xiaoping.

#### **The Central Military Commission Escorts Deng Xiaoping**

"Escorting reform and opening up" was a conspicuous target first displayed by the Central Military Commission enlarged meeting on 20 April. A single look suggests that this extraordinary gathering of Chinese military chiefs in Beijing indicates that the military is the trump card bolstering Deng Xiaoping's power. At a time when "leftists" and rightists are entangled with each other, the conservatives are still controlling the country's economic lifeblood and traditional ideology, and Deng Xiaoping's line is being endangered, only military protection can play a decisive role in suppressing or alleviating internal struggle and in blazing a new trail for reform and opening up. The main thing is to whom Deng Xiaoping will give his strong military power before he meets God.

News was spreading here recently that the Central Military Commission enlarged meeting discussed Deng Xiaoping's instructions on a military institutional adjustment, the Armed Forces' reorganization, and improving the Armed Forces by means of science and technology. More importantly, the meeting also proposed reorganizing the Central Military Commission

and candidates for the relevant military leadership positions. In this regard, it mentioned very important personnel changes, which have aroused concern in various circles, although they are difficult to confirm.

#### **Deng and Yang Are Collaborating; Jiang Zemin's Position Is Unstable**

The first important news: After withdrawing from the presidency, Yang Shangkun, Central Military Commission first vice chairman, may possibly assume the chairmanship of the Central Military Commission and State Military Commission. The second important news: Yang Baibing will be promoted to vice chairman of the Central Military Commission from his current post of secretary general of the commission, concurrently becoming director of the General Political Department. He will also replace Qin Jiwei, who will soon retire. He will become national defense minister and a state councillor.

The third important news: He Pengfei will be promoted from director of the General Staff Headquarters' Armament Department to chief of staff and become a member of the Central Military Commission.

After listening to these three pieces of news on heavy-weight [zhong liang ji 6850 6852 4787] military heads, some people may ask: Jiang Zemin, CPC general secretary and Central Military Commission chairman, has been commonly acknowledged as the new generation leadership core. If he is deprived of his military power, retaining only his party power, how will they explain it? As revealed, the Central Military Commission enlarged meeting indicated that the military does not have much trust in this commission chairman who has never worn a military uniform or had military experience. Whereas the structural issue of whether or not the party general secretary must concurrently be the Central Military Commission chairman will be solved by the 14th CPC National Congress after the fall. But Jiang Zemin cannot control military power even if he is Central Military Commission chairman. This chairmanship in name only could become naught.

#### **Relations Between Yang's Family and Deng**

The news on Yang Shangkun becoming Central Military Commission chairman is not something unexpected. When withdrawing from the chairmanship of the Central Military Commission after the 4 June incident, Deng Xiaoping said: "We elderly people will retire sooner or later. Only Yang Shangkun cannot leave." He also made these remarks long before this. As a matter of fact, Yang Shangkun has held the Central Military Commission's power over the last three years, rather than Jiang Zemin. Only Yang Shangkun accompanied Deng Xiaoping during his tour of south China. Who in Beijing does not know that only the "Yang office" can compare its authority with that of the "Deng office." It was not an expedient measure for Yang to follow Deng in his tour of south China. This is unlike "in the country of the blind, where the one-eyed man is king."

It was due to the close relations between Yang Shangkun and Deng Xiaoping that his brother Yang Baibing was promoted rapidly in the 1980's. This is not strange. Yang Baibing, 72, joined the party in 1938 and studied in "Kangda [2123 1129, the Chinese people's military and political college against Japanese aggression]," the Yanan Party School. For a long time he engaged in political work in the Liu-Deng Second Field Army. He took part in the march into Dabie Shan, the Huaihai campaign, crossing the Chang Jiang, and various big campaigns in southwest China. After 1949, he followed Deng Xiaoping and became chief of the Southwest Military Region's Organization Department and director of its Political Department. In 1960 he entered the Political Academy for further studies. Subsequently he was promoted to political commissar of the Beijing Military Region. He was promoted to director of the Central Military Commission's General Political Department in 1987 and member and secretary general of the Central Military Commission in 1988. Deng Xiaoping had long been interested in this general of the Yang family, who is exactly like his younger brother.

#### A New Rising Military Star

The recently rising He Pengfei may greatly astonish people in military and political circles. But some guidance will smooth things out. This young general in his forties is Marshal He Long's son and Deng Xiaoping's son-in-law. As everyone is aware, his wife Deng Nan played an important role in providing guidance and plans during Deng Xiaoping's inspection of south China. From director (Army level) of the General Staff Headquarters' Armament Department, he will leap to chief of the three headquarters (the General Staff Headquarters, the General Political Department, and the General Logistics Department) to replace Chi Haotian, who was reproached during the 4 June incident. We cannot say that this is not something unexpected. In Deng Xiaoping's opinion, Army reform should proceed from making its cadres' average age younger, making them revolutionary, modernizing their professional work, and transfusing new blood into the Army. People say this was one of the resolutions of the Central Military Commission enlarged meeting. In addition, a retirement system will be resolutely implemented among 50-year-old officers below army level and the 3 million troops will be further reduced by 500,000. This is an inevitable trend of the new change which will emerge out of the macro- and micro-climates in the country and abroad. But both insiders and outsiders with political sensitivity will comment much on Deng Xiaoping's trick because it is strongly characterized by "the Yang family generals in Deng-dominated China."

"Asking in this boundless land who rules over man's destiny." [Quoted from Mao Zedong's poem "Changsha," written in 1923] Mao Zedong asked this question, but he did not get the answer before his death. Now it is Deng Xiaoping's turn to answer!

#### General Staff Department on Economic Development

OW2605122292 Beijing XINHUA Domestic Service  
in Chinese 0309 GMT 26 May 92

[Text] Yantai, 26 May (XINHUA)—At a recently ended national conference on developing grass-roots units of the militia and reserve services, the General Staff Department and the General Political Department under the Chinese People's Liberation Army [PLA] circulated a notice commending 150 advanced grass-roots units of the militia and reserve services.

In recent years, the militia and reserve services have earnestly implemented the policies and principles laid down by the party Central Committee, the State Council, and the Central Military Commission on developing the PLA's reserve forces for national defense. They have striven to strengthen the development of grass-roots units and have achieved remarkable results. The meeting urged various localities to adhere to the Central Military Commission's specified policies on quality improvement; to strengthen development of the grass-roots units in an all-around manner; to ensure that militia work is implemented organizationally, politically, and militarily; and to raise the reserve services' fighting capabilities so that the development of grass-roots units can reach a new level. The meeting also urged: People's armed forces departments at various levels should conscientiously subordinate militia and reserve services to the state's economic construction, which is of overall importance; and give fuller play to the militia and reserve units's role as a principle force so as to further accelerate the economic progress of various localities. Moreover, the people's Armed Forces departments at various levels should earnestly utilize the militia and reserve units' basic functions as protectors and escorts of reform and openness. In addition, they should skillfully direct military and training operations in the course of reform and economic construction. Meanwhile, by supporting, joining, and safeguarding reform and economic construction, they can train the militia and reserve services and consolidate them organizationally; improve the professional quality of the broad ranks of cadres in the people's Armed Forces by raising their organizational and commanding capabilities; and upgrade the quality of officers and men in the militia and reserve services so as to continually enhance the development of grass-roots units.

The meeting stressed: Under the new situation of deepening reform, we must uphold the following systems: The militia system, the system whereby the party is controlling the Armed Forces, the dual leadership system, and the defense leadership system which is conducive to national defense development. Practice has shown that so long as we implement the guidelines on reform and do our work creatively, the militia and reserve services will be full of vitality and vigor and there will be a new path for the development of grass-roots units.

**Army Paper Views Optimizing Military Structure**  
HK2605114392 Beijing JIEFANGJUN BAO in Chinese  
15 May 92 p 3

[Article by Xing Laizhao (6717 0171 6856) and Luo Gang (5012 0474): "Give Prominence to Structural Optimization"]

[Text] Adjusting the Army establishment system and doing a good job in optimizing its organization and structure are effective measures in improving Army quality. More and more Army units are taking this as a choice for quick results.

**An Idea About Seeking High Efficiency**

High quality Army units generally have these three main characteristics: Modernized weapons and equipment; high quality personnel who can control and use modernized weapons and equipment; and a scientific establishment system which can organically integrate personnel and weapons. Weapons and equipment are material factors, the personnel who control weapons and equipment are technical (intellectual) factors, and the establishment system is a "medium" which organically integrates weapons and personnel. To put it more vividly, material factors and technical factors can be described as two "wheels" acting on each other and the "medium" is the "axle" linking these two wheels. The former are visible and touchable but the latter is not so directly visible. In the past, people took much account of the improvement of weapons, equipment, and personnel quality. As a matter of fact, the effects of the quality of the system of the establishment on that of the troops should not be overlooked.

In the early days of World War II, the tanks of the French and German Armed Forces were equally matched in terms of quantity and quality, but the ways of using the tanks differed greatly. The French dispersed their tanks but the Germans formed independent tank units. As a result, the Germans gained superiority in the war. The armed forces establishment is becoming increasingly complicated following the continuous modernization of weapons and equipment. To bring all factors constituting combat effectiveness into maximum play, it is important to constantly optimize the armed forces establishment system. The U.S. Armed Forces regard optimization of their establishment system as one of the "four pillars" in armed forces reform, listing it equally with the development of weapons and equipment and the improvement of personnel quality. The former Soviet Armed Forces were also of the opinion that to "follow combat tasks more properly," an "important point is to study the best form."

Seeking military superiority by organizational and structural optimization has become the consensus and common effort of some wise foreign military strategists. According to statistics, in the last 40-odd years since the end of World War II, the U.S. Armed Forces have conducted five major establishment system adjustments,

the French six, and the British seven. The average is one every six to nine years. During this period, there have also been many minor adjustments. Each organizational and structural optimization helped improve combat effectiveness to varying degrees. This regular understanding and effective practice is also significant to the improvement of our Armed Forces. We may well say that improving the Armed Forces' quality by organizational and structural optimization is a method of achieving high efficiency.

First, although the improvement in weapons, equipment, and personnel quality has direct effects on combat effectiveness, it forms a direct ratio with investment in scientific research and training, its scale of increase being the accumulation of unitary quantity. But organizational and structural optimization sometimes can improve combat effectiveness by several, and even dozens of times. This has been proved by practice. Apart from this, a scientific organization and structure can improve the coordination of Armed Forces' operations, their flexibility, and speedy response. This point is all the more important. In modern warfare, people have more trust in the saying "time is life." On battlefields, time enables the active side to emerge victorious and the passive side to turn its passivity into activity. Here, the crux is whether or not the armed forces' structure can cope with the speediness of modern warfare. Sometimes, in the crucial moment which determines victory or defeat, a day, an hour, or even a minute is more important than sending in some well-equipped brigades.

Second, the improvement in weapons, equipment, and personnel quality depends on the investment of funds and time. But, by organizational and structural optimization, the best can be selected and the worst discarded and potential can be tapped and efficiency improved, requiring neither much money nor time.

China is now devoting its efforts to economic construction and it is impossible for it to use more money to improve its equipment. Trying to fundamentally improve our Armed Forces' weapons and equipment and the overall military training level in a short time is unrealistic. With this in mind, improving the Armed Forces' quality by organizational and structural optimization is the most realistic, economical, and the most feasible.

**Having Clear Idea of Which Functions To Employ**

A comprehensive review of past and present, and of Chinese and foreign, experience indicates that armed forces structural reforms have taken place regularly, in large numbers, and vividly, the purpose being to improve their functions.

Dialectics tells us that structures and functions rely and act on each other in their existence. Optimizing structures is a means and improving functions is the purpose. In improving functions by structural optimization, it is first necessary to have a clear idea of which functions to employ.

A country's armed forces cannot decide inflexibly what kind of establishment system to take. The system is determined by the requirements of military strategy for the country's armed forces and by the country's strategic assignments for its armed forces. The armed forces will set specific functional targets in accordance with this. Because military strategy changes during different periods, the armed forces' functional targets also change; the structure should be able to cope with this. During the period of "containment strategy," the United States exercised the system of overall development for its ground, air, and naval forces; in the strategic period of "flexible response," it formed a variety of military forces with conventional combat forces as their main body; in the strategic period of "new flexible response," it stressed the need to fight high-, medium-, and low-intensity wars, with the focus on expanding the conventional forces for medium- and small-scale local wars. It formed hi-tech mechanized infantry divisions [mo bu shi 2302 2975 1597] and light mechanized infantry divisions. The types of army divisions increased to seven. To implement the operational idea of an "integral whole of air and ground combat," the U.S. Armed Forces also introduced the Typr 86 establishment system and so on. Structural adjustments in other countries are more or less similar. This portrays the objective law that armed forces' structures should be adjusted according to the change in their functions.

To cope with future warfare, there is much for us to do in optimizing our Armed Forces' organizational structure according to new strategic tasks. In thousands of jobs, we should first devote our efforts to judging future situations, to forecasting possible operational forms, and to understanding our Armed Forces' military strategy. Our Armed Forces will then decide on the functions they must have. If the study of the situation is not thorough, the forecast inaccurate, and the understanding of military strategy wrong, the Armed Forces will have a confused idea of the functions they must have and the reform of the organizational structure will be aimless.

#### Taking Reform As Impetus in Carrying Out Structural Optimization

Optimizing the Armed Forces' organizational structure is, in essence, a kind of reform—a reform which promotes the entire Army, involves various aspects, and causes extraordinary pain.

Structural optimization should be preceded by the renewal of ideological concept. Today, as the improvement of the Armed Forces' quality is becoming more profound, the renewal of ideological concept is particularly important to structural adjustment. For example, if the concept of quantitative superiority is not changed to the concept of qualitative superiority, it is difficult to rationally reduce armed forces personnel; if the concept of waging war according to the status of the armed forces is not changed to the concept of building the armed

forces according to future war requirements, it is difficult to determine the pattern for structural optimization; and so on.

Obviously, emancipating the mind and viewing our Armed Forces' organizational and structural optimization from the reform angle will be of much help. In the course of structural optimization, there will inevitably be increase, decrease, promotion, demotion, dismissal, and retention. All sides' interests will be involved and all kinds of problems and even obstacles will arise. Only by keeping the overall situation of reform in mind and subordinating local to overall interests, can we straighten out relations and give proper consideration to the development of long-term interests and the overall situation.

Structural optimization does not simply mean increasing or decreasing the amount or changing the relations. Instead, scientific formation is necessary based on comprehensive national strength, the degree of modernization of the weapons and equipment, personnel quality, strategic tasks, the possible form of future war, and other factors. The formation of modern armed forces is becoming increasingly complicated and structural adjustment will involve various strata and positions. A scientific attitude must be upheld to find the best pattern.

Structural optimization bears a certain nature of experiment and involves risks. This is inevitable. Even an adjustment program which is regarded as comparatively ideal cannot possibly cope with all demands or be accepted by all. Adjustment should not wait until everything has been adequately proved. Therefore, whatever is understood and seen as appropriate must be unswervingly carried on. This will reduce pain and yield success.

#### Part 2 of Article on New World Military Pattern

HK2705100192 Beijing JIEFANGJUN BAO in Chinese  
15 May 92 p 3

[Article by Li Qinggong (2621 1987 0501): "Regional Military Pattern Experiencing Readjustment—Development Trends of World Military Situation (Part 2)"]

[Text] [Please see 15 May China DAILY REPORT, page 20, for part 1 of the following article] European region Since last year, with the removal of the strategic situation characterized by direct U.S.-Soviet military confrontation and the tense standoff between NATO and the Warsaw Treaty Organization, Europe has quickened the pace of shifting toward a new military pattern but, at the same time, has been plagued by regional turmoils and conflicts. Now, the traditional situation of Europe having a "cold war" but no "hot spots" has been broken. The development of Yugoslavia's civil wars into a war between independent states has turned Europe into one of the most unstable areas in the world, and the war tends to keep on spreading and expanding. For some time to come, the eastern part of Europe, especially the Balkan region, will in all probability turn into a frequent

"hot spot" region, which will bring serious consequences to Europe and even the world as a whole. Moreover, with NATO countries losing their common adversaries of the "cold war" period, the internal contradictions formerly covered up by the "joining of forces to oppose the enemy" are gradually coming to light. The serious differences between the United States and European states on NATO's changing nature, European defense alliance, U.S. military presence, the question of countries in the former Soviet Union and Eastern Europe joining the NATO, and whether it is "Europe's Germany" or "Germany's Europe," have made Europe's future military pattern more indefinite and unstable. In short, the current turbulent, complicated, and eventful situation in Europe will still last for some time, and its military pattern will also be constantly readjusted. The likely direction of readjustment is that NATO, for a considerably long period of time, will continue to play a leading role in maintaining Europe's security; the European Community and the European Alliance will play an ever increasing role; the Conference on Security and Cooperation in Europe will serve as a basic framework for security coordination in that region; and big powers like the United States, Britain, France, and Germany will cooperate with and condition one another.

**Former Soviet region** Following the independence of the three Baltic states and the disintegration of the Soviet Union, drastic changes have taken place in the region's military situation: The external military threat has been relatively reduced but internal military disputes have continuously intensified; the Commonwealth of Independent States [CIS] has tried to solve military disputes among the republics, but the former Soviet military power, which is temporarily placed under the unified command and control of the CIS, is tottering. To date, most CIS states have expressed their desires to establish their own armed forces; disputes between Russia, Ukraine, and other countries on the issue of dividing the former Soviet Armed Forces have hardly subsided; the former Soviet nuclear power has been "divided into four," with each of them having its own view on the nuclear arms issue; it is hard to control the proliferation of nuclear weapons, chemical weapons, missiles, and relevant technology and personnel, and the situation of heavy conventional weapons getting out of control will develop still further; it is difficult to resolve internal turmoils and conflicts in some independent countries in a short time, and the intensifying national contradictions, territorial disputes, border conflicts, and power struggles may lead to new armed conflicts and even local wars; the CIS only plays a transitional role in military coordination, and probably will eventually be replaced by a new military treaty organization. In the future, the former Soviet region is likely to develop into a military pattern in which Russia, Ukraine, Kazakhstan, and Belarus hold a quadripartite balance of forces, are interdependent, and condition one another; motivated by geographical, national, religious, and interest factors, the possibility of allied or loose military blocs in eastern

Europe, Central Asia, Far East or other regions being formed cannot be discounted.

**Middle East region** After the Gulf war, the former "hot spots" in the Middle East have cooled down and various antagonistic and tense situations have eased somewhat. The Middle East peace talks serve as a good beginning for a political solution of the Arab-Israeli conflict. The military pattern in that region is undergoing new readjustments on the basis of a transitional post-Gulf war framework. However, there are still some factors of instability and insecurity in the Middle East: The struggle between the United States, which tries its utmost to control the Middle East, and the countries in that region, which oppose the control, is developing; the situation of Middle Eastern powers contending for supremacy has not basically changed; the previous contradictions within the Middle East countries have not been completely removed, but new contradictions have emerged and the possibility of big powers being militarily involved in the Gulf region is still increasing. For some time to come, the major factor of insecurity having the most serious impact on the formation of the military pattern in the Middle East will be the arms race in that region. According to incomplete statistics, following the end of the Gulf war, major Western powers vied with one another in dumping weaponry in the Middle East, with the United States alone selling \$24 billion worth of weapons. These enormous arms deals will bring into Middle East countries 400 advanced combat aircraft, over 1,500 tanks, over 1,000 anti-aircraft missiles, over 100 helicopter gunships, several hundred armored vehicles, and large quantities of radar and electronic equipment. Undoubtedly, this has brought the arms race in the region to a higher stage.

**Asia-Pacific region** Compared with the turbulent situations in other regions, the Asia-Pacific region is relatively stable and its military situation can be regarded as the best since World War II. For some time to come, the United States will continue to reduce its military presence in the region but there will be a certain limit, that is, it will not give up its strategic interests in the region; a momentum of further relaxation will emerge in the Korean peninsula situation within the framework of the two agreements signed between North and South Korea; the military alliance relationships between the United States and Japan and between the United States and South Korea will still be maintained, and the military relations between the United States, Australia, and New Zealand will be strengthened after their differences are removed; while stepping up economic integration, ASEAN countries are seeking a collective security mechanism; and, in the wake of the Gulf war, some Asia-Pacific nations have enhanced their defense awareness and quickened the pace of arms buildup. Viewed as a whole, the military situation in the Asia-Pacific region will continue to develop along the direction of relaxation and stability and some new factors conducive to security will increase further. As the Asia-Pacific region is where the interests of the United States, Russia, Japan, and

China converge, the future Asia-Pacific military pattern will be more characterized by mutual cooperation and conditioning among big powers.

**African region** Following the "cold war," the "hot spots" in southern Africa, the Horn of Africa, and Western Sahara have cooled down one after another, but the turbulent situation in Africa has not been fundamentally solved. In the last two years, there have been seven civil wars among African states, with four regimes collapsing in civil war; there have been social turmoils in the "democratization" process in over 20 countries, with leaders in five countries either lost or driven out of power in elections; and there have been military coups or abortive coups in four countries, with two regimes being overthrown in the coups. Moreover, there are territorial disputes in some 30 African countries, which have led to four armed conflicts between states. For some time to come, an outstanding issue facing African countries will still be domestic political turmoil and economic crises, but the possibility of a large-scale arms race and of forming military blocs is relatively small.

**Latin American region** There will be no major changes in the military pattern but there will minor readjustments. The general trend is that the United States will tighten controls, regional security pact organizations will increase coordination, and all countries will work for better security relations.

#### Air Force Units Intensify Political Construction

OW2405084792 Beijing Central People's Radio Network in Mandarin 2230 GMT 22 May 92

[From the "News and Press Review" program]

[Text] Under the new situation characterized by reforms and opening up, the Air Force, in accordance with the Regulations for Political Work promulgated by the Central Military Commission, has intensified the political construction of its units, making sure that they will consciously render their support for programs of reform and opening up and for economic development. As a result of the Air Force's systematic and comprehensive education on the policy of reform and opening up and on the party's basic line, officers and men now strongly feel the great vitality and vigor of the socialist cause because of the policy.

When major reform programs were introduced—such as those concerning replacement of the operating mechanisms of enterprises, regrouping of personnel, housing reform, and adoption of the civil service system—many Air Force units made sure that their personnel were well educated through ideological and political work on these programs in order to eliminate their misgivings so they would accept any readjustments of benefits and submit themselves to the state's overall needs for economic construction and would support reforms with actual deeds.

Meanwhile, the Air Force has proceeded to build stronger party organizations in conjunction with various units' own reform programs and construction. Contingents of ideological workers have been commonly set up. Now the overall performance of grass-roots units has improved noticeably. Two-thirds of grass-roots units have measured up to the standards set by the General Political Department.

Recently, the Air Force Political Department held a forum at a certain paratrooper brigade to review the experiences gained from intensifying political construction.

#### Further Report on Recent Field Repair Exercise

OW2205133892 Beijing XINHUA Domestic Service in Chinese 0811 GMT 21 May 92

[By correspondent Wang Fuli (3769 2105 3680) and reporter Hu Nianqiu (5170 1628 4428)]

[Text] Beijing, 21 May (XINHUA)—Amid the boom of guns in tank warfare, gun barrels, water tanks, and gearboxes were blown up; treads came off; and tanks were either stranded or turned over. Personnel aboard technical maintenance vehicles activated automatic hooks to pull those damaged tanks to sheltered places and immediately repaired them. They installed new turrets and replaced broken parts in water tanks and gearboxes. Within 20 minutes, damaged tanks were back in working condition and returned to the battlefield.

This is a scene taken from a recent field drill of rescue and technical maintenance by armored units. Guided by the Central Military Commission's policy on quality, the People's Armored Force has strengthened the management and technical maintenance of equipment, and a complete technical maintenance system has been established to maintain equipment in good repair. The Armored Force has thus far successfully developed an integrated set of technical equipment—including track-laying technical reconnaissance vehicles and track-laying tank-repair vehicles—which can accompany combat units at wartime and keep tanks and other equipment in good repair, thereby greatly improving the regenerating capability of tanks and other armored vehicles and enhancing the fighting capacity of combat units. In addition, armored units rely on science and technology to improve existing equipment, thereby raising the overall efficiency of technical maintenance. In recent years, more than 100 scientific research projects by armored units have won national- and Army-level awards for scientific and technological achievement. Over the last three years, armored units have generated over 8 million yuan in economic returns from reconditioning parts alone.

People are the foundation of technical development. There currently are scores of regulations, rules, and ordinances with which the armored force can evaluate its technical personnel. The armored force has also established a training system for technical personnel that

consists of schools and training bases. In recent years, armored units have held more than 2,000 training courses and trained over 100,000 technical cadres and tank-repair personnel.

Recently, the armored force staged a demonstration of technical maintenance and management to publicize the experience of a tank battalion of a tank division of the Beijing Military Region in field rescue and equipment management. Armored units throughout the Army were urged to thoroughly implement the Central Military Commission's policy on quality, further improve the management and maintenance of equipment, and raise armored mechanized units' overall maintenance capability to a new level.

**Daily Reports on Naval Missile Testing Zone**  
HK2805055592 Beijing *RENMIN RIBAO* in Chinese  
24 May 92 p 3

[By Liu Jingyu (0491 2529 3768) and Zhou Dongxu (0719 2639 2485): "Experimental Zone Makes Contributions to Naval Modernization"]

[Text] Recently a naval testing area completed another experiment to finalize the design of a new type of supersonic missile. This testing zone, constructed 34 years ago, has developed from being formerly for final testing on a single model of missile into a comprehensive area for a complete category of multimodel, strategic and tactical missiles. According to statistics, this little-known scientific research and experimental corps has completed over a thousand programs for scientific missile research and testing over the last 34 years and has finalized the design of various missile series, thus making contributions to the Navy's modernization.

After its establishment in 1958, this scientific research corps researched, manufactured, and experimented on China's first, modern missile with neither blueprints nor information to work with. In recent years, scientific and technological personnel at this testing area have displayed their talents in scientific research and experiments. By means of new scientific and technological theories, new technologies, and new methods, they have conducted over 500 scientific research programs on accurate guidance, simulation technology, detonation [yin xin 1714 0207] technology, and so on. Fifty seven scientific achievements have won military scientific and technological progress awards and have filled gaps in the nation's capabilities. Over 90 percent of research achievements have been widely popularized and applied to the Armed Forces' combat troops.

**Over 12,000 Troops Fight Heilongjiang Forest Fire**  
OW2605102992 Beijing *XINHUA* in English  
0919 GMT 26 May 92

[Text] Harbin, May 26 (XINHUA)—A forest fire in the Hanjiayuanzi region of the Da Hinggan Ling Mountains in Northeast China's Heilongjiang Province was put out at 5:05 on May 23.

No casualties were reported.

According to local authorities, the fire did not cause any serious damage because the area that caught fire was mainly grassland with few trees.

The fire broke out at 13:40 on May 19. The local authorities and garrison of the People's Liberation Army sent a total of 12,000 persons to fight the fire.

The efficient fire-fighting network which was established after a big forest fire in the mountainous area in 1990 played an important role in the swift dousing of the blaze.

**Economic & Agricultural**

**State Council Approves Shareholding Expansion**  
HK2305055792 Beijing *CHINA DAILY* in English  
22 May 92 p 1

[By staff reporter: "Mass Rush on Share Holding Warned"]

[Text] The State Council, China's cabinet, has approved a programme to allow the share-holding system to be tried out in the country's State-owned enterprises, while warning against a nationwide "mass rush" to issue shares at this initial stage.

The country's highest governing body has also ratified a scheme proposed by the State Commission of Restructuring the Economic System and the State Council Production Office for permitting company shares to be issued to the public in South China's Guangdong, Fujian and Hainan provinces. Such stocks can be marketed only at the Shenzhen and Shanghai exchange centres, People's Daily [RENMIN RIBAO] reported yesterday.

According to the programme, the Shanghai and Shenzhen exchanges will expand their business and work out "mature guidelines" for other places to follow suit, the paper said.

Guided by recent statements by veteran leader Deng Xiaoping, the Party and the central government have now come to a consensus that China, a country bent on reform and opening to the outside world, should absorb advanced management methods from capitalist countries.

Chinese economists and policy-researchers have insisted that a share-holding system will have a positive effect on the economic performance of China's State industries.

The proposed programme stresses that the system is conducive to raising funds and increasing investment while reducing waste and misspending under centralized planning, and pushing businesses toward market competition, reactivating the market mechanism and improving enterprises' performances.

"Direct supervision by the shareholders has proved to be more effective than the caretaker role of the government," said an official with the State Commission of Restructuring the Economy.

To perfect China's young shareholding system, first introduced in 1983 in the Shenzhen Special Economic Zone, officials pointed out that departments concerned will have to upgrade preparatory and service work.

They also urged the drafting of rules and regulations relating to running share-holding businesses as soon as possible, including a corporate law, a stocks law and a law on stock exchanges as well as measures to prevent manipulation and monopolies in the market.

Prior to that, the reform think tank will take the Shanghai and Shenzhen experiences as references and work out a preliminary document to guide the test of the system in some areas, according to the proposed programme.

According to the State Commission for Restructuring the Economy, there are now 3,220 firms involved in experimenting with various types of share-holding systems in this country.

Of these, 85 percent sold their shares only to their own employees, 12 percent sold shares among other registered business firms, three percent of them sold their stocks to the public, while only 37 enterprises (about 1.1 percent) were allowed to sell their shares on the Shanghai and Shenzhen stock markets.

#### Bao Xin Letter Outlines Shareholding Plans

*HK2705002892 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 20, 18 May 92 p 2*

[“Letter from Beijing” by Bao Xin (7637 0207): “New Hot Spot in China’s Reform—Shareholding System”]

[Text] Dear Brother:

I wonder if you have noticed a very conspicuous trend in China's economic restructuring this year, namely, the implementation of the shareholding system on an experimental basis. Many enterprises have handed in their applications one after another for conversion to the joint-stock system; the media has covered the shareholding system in theory and practice in a big way; and on campuses and in book stalls in the streets, lectures and books on shareholding and stocks have become highly popular.

Why should the shareholding system, which went into obscurity several years ago, now have had its popularity revived? To my knowledge, the key lies in the fact that economic development on the mainland calls for such an enterprise system; furthermore, the practice of several thousands of enterprises across China over the past few years has also testified to the advantages of such an enterprise system, which are beyond comparison to those of many state-owned enterprises.

For example, its function in funds collection. The shortage of funds is a universal bottleneck for mainland enterprises, especially those with good economic returns, and their rapid expansion in scope chiefly depends on bank loans; however, loans involve repayment and a heavy interest burden; furthermore, the loans they obtain are limited, whereas collecting funds through issuing stocks involves low cost, and the funds thus collected do not involve repayment. Through issuing special stocks (B shares) in renminbi outside the borders, they can collect large sums of hard currency. Based on incomplete statistics of Shenzhen and Shanghai, their scores of joint-stock enterprises have collected some 2 billion yuan through issuing stocks over the past three years.

Joint-stock enterprises are more flexible in operational mechanism than their state-owned counterparts; hence there is greater adaptability to market demand. Eloquent evidence is that a survey found that the economic returns of the majority of joint-stock enterprises exceeded those of state-owned enterprises in the same category.

Another very important reason is that top-echelon Chinese leaders began to take a rather enthusiastic attitude toward the joint-stock system. To my knowledge, since last July, several top-echelon Chinese leaders have talked about the joint-stock system on quite a few occasions, believing that “the shareholding system is a good way to collect funds,” “shares should be regarded as a means to invigorate the monetary market, and a mirror to monitor enterprises’ operation,” and “we should allow people to wait and see whether or not shares and the stock market are good, whether or not those things are exclusive to capitalism and whether or not they can be used in socialism, but experiments on them must be firmly carried out.” Particularly during Deng Xiaoping’s inspection tour of the southern provinces, the criteria for whether things bear the surname of “socialism” or “capitalism” were set, with a breakthrough in the ideologically forbidden area, thus removing an ideological hurdle for the exploration of the shareholding system.

According to a briefing by a relevant official of the State Commission for Restructuring the Economic System, the past year or so has seen a rapid development in joint-stock enterprises across China. The number of enterprises experimenting with the joint-stock system was some 3,000 according to 1991 year-end statistics. Presently, aside from the eastern region, Heilongjiang, Beijing, and Sichuan have all taken an active part in increasing the number of enterprises conducting experiments in the joint-stock system, while beginning to set up independent accounting offices, auditing offices, and asset-evaluating offices. Many experts forecast that with people attaching increasingly greater importance to the stockholding system, a momentum of joint-stock enterprises “mushrooming” is likely to surface this year and next.

However, some experts are not without misgivings regarding such a craze for the joint-stock system, basically grounded in the fact that at present, the operation of some joint-stock enterprises has yet to conform to the basic standards of the international joint-stock system in terms of business, each going its own way. For example, some enterprises have violated the principle of shareholders sharing the risks of the joint-stock company, with individual shareholders enjoying dividends only without sharing the risks. Some enterprises have even distributed dividends and bonuses all the same after a cutback in their profits.

In addition, there are still some phenomena not up to standard in the government's administration of joint-stock enterprises and in the organization and operation of the stock market that still awaits improvement, completion, and perfection.

With respect to the issue of whether or not the range of experimentation of the joint-stock system should be expanded in the immediate future, the Chinese Government is taking a meticulous attitude, and its keynote is: Continue to conduct experiments, explore and formulate rules and institutions, operational procedures, and transaction regulations, and bring up qualified people.

It is learned that the important measures to be adopted for pushing forward experiments in the joint-stock system are as follows:

1. A state law will be formulated on the basis of the "Provisional Regulations for Joint-Stock Companies" presented by Shanghai and Shenzhen. Before its presentation, guidelines will be first introduced as the grounds for current work.

2. An investigation will be conducted on existing joint-stock enterprises to correct practices that are not up to standard. Newly-started experimental enterprises should conduct their work according to standardized requirements.

3. Shares of rather standardized joint-stock enterprises from other provinces will be listed in the stock exchanges in Shenzhen and Shanghai, and specific measures for implementation will be presented in the foreseeable future.

4. Experiments on establishing investment funds will be conducted to organize individual investors into several investment cooperatives to conduct investment and transactions in shares.

It is said that another stock exchange will be set up in a certain city (Tianjin for instance) in North China within the year.

In a nutshell, all signs show that the shareholding system is beginning to become an important part of the essence of China's economic structure. With the continuous

completion, perfection, and development of the stockholding system, it will possibly play a tremendous role in the course of developing the socialist commodity economy in China.

[signed] Bao Xin

[dated] 11 May

#### Beijing Hosts First Securities Trade Fair

OW2705173192 Beijing XINHUA in English  
1435 GMT 27 May 92

[Text] Beijing, May 27 (XINHUA)—The Chinese capital resounded today with the first ever ringing of the gong indicating the beginning of securities trading.

The first Beijing securities trade fair, which was sponsored by the Trust and Investment Corporation of the People's Construction Bank of China, proved a "success" with securities valued at over 679 million yuan changing hands, and total turnover amounting to 751 million yuan.

The 150 securities dealers representing 76 financial institutions from throughout China mainly traded state treasury bonds and investment bonds. Throughout the day the latest results of each transaction were immediately flashed to an overhead screen.

Even though the atmosphere during the six-hour trading session was relatively calm, there were moments of frenzied activity, especially when a deal was struck on the first transaction after 35 rounds of price quotes.

"The fair was not held simply for the sake of trading, but instead with the goal of promoting securities trading and gaining experience," according to Liu Dawei, a member of the organizing committee. Liu expressed the belief that securities trading in China, especially in north China, remains only lukewarm because of relatively backward communications facilities and geographical limitations.

Experts say that even though the current trading facilities and methods leave much to be desired, compared to standard international securities exchanges or China's two stock exchanges in Shanghai and Shenzhen, the significance and exemplary role of today's fair should not be underestimated.

The trust and investment corporation of the People's Construction Bank of China, a comprehensive financial institution, launched its securities department in December 1990. By the end of 1991, the institution had handled transactions valued at over 700 million yuan, and, during the first five months of 1992, the securities trading volume climbed to 1.1 billion yuan. Recently, the corporation became a member of the Shanghai Stock Exchange.

**Gao Shangquan Says No 'Overnight' Reform of Firm**

*HK2705044392 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 17 May 92*

[Excerpts] A national training class on the joint-stock system concluded in Hainan yesterday.

In the course of their training, deputies from 44 provinces, autonomous regions, and cities, which are listed separately in the state plan, across the country listened to lectures given by some well-known Chinese specialists and professors, as well as leading comrades engaged in joint-stock system experimentation work and summed up and exchanged their experiences in this regard. [passage omitted]

Gao Shangquan, vice minister of the State Commission for Restructuring the Economy; Bao Keming, executive vice governor; and other central and provincial leaders attended and delivered speeches at the class' closing session.

In his summing-up speech, Gao Shangquan emphatically noted: The key to expediting enterprise reform lies in shifting the enterprise operative mechanism. However, this work cannot be completed overnight. It is unrealistic to demand that all state-owned enterprises shift their operative mechanisms in a short time. Therefore, it is desirable to provide selective guidance to and set phased quotas for different types of enterprises in light of actual conditions, thus enabling enterprises to shift their operative mechanisms at an earlier date.

Gao Shangquan stressed: To shift the operative mechanism, enterprises need to build a sound market. To this end, it is imperative that we transform both the functions and methods of the existing government management mechanism; strengthen macroeconomic and indirect regulation and control; speed up corresponding reforms, including a social security system reform; and actively, surely, and steadily push ahead with the ongoing joint-stock system reform. [passage omitted]

Executive Vice Governor Bao Keming also delivered a speech in which he emphatically called for strengthening determination and confidence in further carrying out joint-stock system experimentation by taking into consideration overall national interests. [passage omitted]

**Classes on International Futures Trading in Jun**

*OW2705172992 Beijing XINHUA in English  
1426 GMT 27 May 92*

[Text] Beijing, May 27 (XINHUA)—China plans to hold several classes on international futures trading next month in Beijing, Shanghai and Shenzhen.

The classes are designed to train administrative personnel from the futures trading companies.

The classes will be co-sponsored by the Ministry of Commerce, the Ministry of Materials and Equipment, the State Commission for Restructuring the Economy,

the State Council's Development Research Center, and the China Nonferrous Metals Industry Corporation.

As the country is deepening reform and further opening to the outside world, increasing numbers of Chinese enterprises are participating in both international and domestic futures trading.

American and Chinese experts will deliver lectures at the classes.

**Tax, Fiscal, Price Official Interviewed**

*OW2405105792 Beijing XINHUA Domestic Service in Chinese 0529 GMT 24 May 92*

[Report on interview with Jin Renqing, director of the State Council office in charge of tax, fiscal, and price inspection, by XINHUA reporter Fu Gang (0265 0474) in Xiangfan, Hubei, "recently"]

[Text] Wuhan, 24 May (XINHUA)—Jin Renqing said: Rejuvenating enterprises by decontrolling their operations is an important part of the reform and opening-up programs, but so is intensifying macroeconomic management, supervision, and inspection. These two operations are mutually supportive. "The faster that reform and opening-up programs proceed, the more it is necessary to intensify supervision and inspection."

Jin Renqing pointed out: As our socialist commodity economy develops, contradictions of economic interests among individuals, units, and the state have become even more prominent, and struggles between law enforcement and law violation, and between supervision and actions against supervision have also sharply increased. If we ignore such lawless conduct and irregularities as evading taxes, withholding income, and diverting state funds into private coffers, those activities will upset our normal production and operating order and normal economic order as well as obstruct the progress of our reform and opening-up programs.

Speaking on a nationwide inspection of taxes, fiscal affairs, and commodity prices, Jin Renqing said: While fiscal, auditing, tax, and price departments have intensified their routine inspection with satisfactory results, we cannot discredit or ignore the role of the nationwide inspection. In fact, nationwide and routine inspections will proceed hand in hand for a relatively long time to come. They can supplement one another and enhance one another. There are several reasons for this: 1) China's economic management and Chinese enterprises' operating mechanisms are being replaced and improved; our laws still have loopholes; and people's concept for abiding by the law remains weak. This being the case, lawless conduct and irregularities remain very common within the economic sphere, and relevant authorities still do not have enough personnel for full-scale, effective supervision. 2) The nationwide inspection is an important way to balance revenues and expenditures. Especially when the state's financial situation is still grave, the state must recoup financial losses by launching a

nationwide inspection. 3) The inspection will proceed under the direct leadership of governments at all levels, so the manpower enlisted for the project will be enormous and a broad area will be covered. The impact and deterrence can hardly be achieved through routine inspections conducted by relevant authorities.

He said: In an effort to consolidate the successes achieved in the nationwide inspection and to eliminate the widespread phenomena of indiscipline once and for all, we will pay attention to comprehensively integrating supervision, encouragement, inspection, and service. We will encourage enterprises and other units to strictly abide by financial and economic discipline, heighten their awareness of law, and improve their internal management.

Strictly handling major cases of lawlessness and indiscipline is essential for intensifying economic supervision. According to Jin Renqing, while handling major cases, some areas and departments have only collected the unpaid amounts of money from the relevant units and have ignored their liabilities. Consequently, enterprises and units have failed to learn a lesson, and the deterrence of supervision and inspection has been weakened. He urged all areas and departments to have the courage to deal with tough issues and expose some typical cases so that the deterrence of supervision and inspection can be demonstrated. He added that enterprises and units that strictly abide by financial and economic discipline and accountants who uphold principles and perform their responsibilities honestly should be commended and their actions widely publicized so that the public will be encouraged to abide by the law and discipline.

**Official on Price Reform Measures, Countermeasures**  
HK2805024692 *Beijing CHINA DAILY* in English  
28 May 92 p 4

[By Ma Kai (7456 0418), deputy director of the State Administration of Commodity Prices: "Move Cautiously on Price Reform To Avoid Disaster"]

[Text] China plans to speed up price reform in the first five years of the 1990's, while striving to keep the inflation rate below that of the 1980's.

First and foremost, the reform will be on the low prices of farm produce and basic industrial goods such as energy products, and the central government will further reduce subsidies for urban residents on major consumer goods.

These moves will inevitably push the price index up. But the growth of inflation must be kept under control to maintain social stability. This is a prerequisite for furthering the reform.

The price reform is aimed at the following goals:

Within industries, the price parities between the basic and processing industries will become more rational, after the prices of basic industrial products are raised.

For farm products, the State's selling prices of grain will be equal to the purchasing price.

The price differences between farm and industrial products will be narrowed.

The State will continue to deregulate prices except for a few important commodities and let market forces come into play.

The difference between the planned price and the market price in the producer's market will be narrowed. The prices of a few raw materials whose supply has long failed to meet demand will be controlled by the State. Others will be pushed into the market.

Success will depend on a better environment.

One is political and social stability. Any social chaos will enlarge the risk to price reform and could ruin it.

The other is the balance between supply and demand.

The money supply must be under control; otherwise a new round of inflation will spell an end to the reform.

If demand greatly outpaces supply and the money supply grows out of control, the total price index will be boosted by any moves on price reform, resulting in high inflation as in 1988.

Meanwhile, producers will have to raise prices to shift the pressure brought by price rises of basic industrial goods to consumers. So the rational price rise in basic industries will be counteracted by the rise of processing products. Again, the price parities between the basic and processing industries will become irrational.

Moreover, under heavy inflationary pressure, the central government will have to adopt administrative measures to intercede, or even to freeze prices which have been deregulated, in order to curb inflation.

Price reform should combine adjustment with deregulation.

Here, adjustment, or "a visible hand" refers to the State raising or cutting prices with administrative methods.

Deregulation, or "an invisible hand" means letting market forces regulate prices.

At the same time, price reform should take into consideration society's ability to tolerate it. Three sectors must be taken into account:

—Central finance. In the long-term, price reform will reduce financial burdens and increase revenue. But the reform may temporarily add burdens to finance.

—Enterprises, especially in the processing sector. Producers must improve efficiency to "digest" the

increasing cost brought by price rises in basic industries. But the rise cannot go beyond the endurance of those enterprises.

—Residents. The growth rate of residents' incomes should be faster than the increase of prices. Otherwise, reform will lose popular support.

Price reform should be supported by other reform measures. At present, it requires support in a number of areas.

First, efforts should be made toward the improvement of efficiency, to increase enterprises' capability to digest price rises in basic industries.

Second, markets of raw materials, labour, funds, technology, foreign currency, stock, information and real estate should be established.

Third, reforms of the finance and tax systems should be speeded up.

Fourth, the country should further wage reform and improve its income-regulating system and national social security system in order to curb social chaos brought on by price reform.

Finally, the price reform must move step by step rather than precipitously. Shock treatments will only backfire.

#### Patent Registrations Rise in Advance of Bill

HK2405025592 Hong Kong *THE STANDARD*  
in English 23 May 92 p B-1

[By Eric Chan]

[Text] The registration of patents have risen substantially in China as the mainland prepares to pass its first patent bill compatible with international standards.

Patent Office of China deputy director general Shen Yaozeng said yesterday registration for patents totalled 22,588 in 1990.

Up until 1987, the office received only a few thousand applications each year.

He said there was 9 percent increase last year over 1990.

In the first quarter of 1992, there was another 21 percent increase over the corresponding period the previous year.

The rise was partially attributed to the shortening of processing time for overseas applications.

Foreign patents accounted for 68.2 percent of those approved in 1991.

Mr Shen said it had been estimated that the 86 local patented inventions had received the golden award and the outstanding award in 1991.

Mr Shen revealed that the the final draft of China's first formal patent bill was being considered by the State Council.

It would be submitted to the National People's Congress for final ratification on 20 June before, he hoped, it was formally passed in August.

The new patent bill would be effective starting 1 January 1993.

Mr Shen said that the drafting of the bill did not stem from the already concluded Sino-U.S. talks on intellectual property rights as the work started in 1988.

It was part of China's effort gain membership in the General Agreement on Tariffs and Trade.

Mr Shen made speaking at a seminar on China's patent and trademark system yesterday.

At the same function, Hong Kong Trade Development Council senior manager Mary Wong urged Hong Kong firms to register their trademarks and patents with China as soon as possible.

#### Trade Council Role in Property Rights Assessed

HK2605121792 Beijing *RENMIN RIBAO* in Chinese  
13 May 92 p 5

[Article by Wang Zhengfa (3769 2973 4099): "China Council for Promotion of International Trade and Development of Intellectual Property Rights System in China"]

[Text] It has been 40 years since the establishment of the China Council for Promotion of International Trade (Council for Promotion of Trade for short). Over the past 40 years, besides doing a good job in the agent service of intellectual property rights, the Council for Promotion of Trade has taken the initiative to coordinate its work with all departments in charge, with the aim of bringing about the overall development of China's intellectual property rights system in a concerted manner. Bogsch, director general of the World Intellectual Property Organization, once spoke highly of the Council for Promotion of Trade for its "motor" role in helping China to establish its patent system.

The agent service for intellectual property rights in all countries is handled by nongovernmental organs. Authorized by the then Government Administration Council in the 1950s, the Council for Promotion of Trade has since been engaged in the agent service for trademarks, and has established extensive ties with the intellectual property rights circles of all countries.

After the Third Plenary Session of the 11th CPC Central Committee, the Chinese Government was determined to develop a patent system, and assigned the State Science and Technology Commission to direct the preparatory work. The State Patent Bureau was set up in 1980, before the "Patent Law" was ever promulgated. Since then, the

Council for Promotion of Trade has vigorously coordinated its work with the State Science and Technology Commission and the State Patent Bureau; and has done a great deal in order to speed up the preparations for the establishment of the patent system and to bring about the early promulgation of the "Patent Law." The council took part in the drafting and discussion of the "Patent Law"; inspected, analyzed, and compared the patent systems in different countries; and earnestly made preparations for foreign-related patent agent service. At the same time, China was also drafting its "Trademark Law" and "Copyright Law." The Council for Promotion of Trade sent its people to take part in the entire process, and put forward many practical opinions and suggestions at discussions.

Besides its Patent and Trademark Agencies, the Council for Promotion of Trade has also set up in Hong Kong the jointly invested China Patent Agency (Hong Kong) Limited to provide an agent service for intellectual property rights, such as patents and trademarks. By the end of 1991, these agencies had applied, on behalf of foreign customers, for over 31,000 patents and about 60,000 trademark registrations in China, accounting for 91.5 and 98 percent of China's total patent and trademark applications respectively. In addition, these agencies have represented Chinese customers in applying for overseas patents and trademark registrations. By the end of 1991, these agencies had handled about 3,000 and over 1,500 trademark and patent applications respectively.

While handling trademark registration and patent applications, the Council for Promotion of Trade's intellectual property rights agencies have also made vigorous efforts to act on behalf of its consignors to handle cases concerning disputes over intellectual property rights, including cases of tort. During recent years, these agencies have handled nearly 1,000 cases involving disputes over such trademarks as IBM, Coca-Cola, Sharp, and Gold Lion; and acted on lawsuits concerning patents, such as the case in which Li Jinkai brought a suit against Wang Yongmin and the DEC Company. All these have enabled overseas consignors to have a better understanding of the fairness of China's judicial and administrative organs in handling cases, dispelled the misgivings of overseas customers who had doubts before over China's ability to effectively exercise intellectual property rights, and enhanced the confidence of foreign customers in China's intellectual property rights system.

With a view to protecting the legitimate rights and interests of Chinese enterprises overseas, the Council for Promotion of Trade's intellectual property rights agencies have often represented Chinese consignors in handling overseas disputes over intellectual property rights, especially disputes over encroachment on and rush-registration of Chinese trademarks.

Since the intellectual property rights system mainly handles foreign-related affairs, every country needs to

devote great efforts to expanding its relations and cooperation with other countries in this field. Besides its ties with intergovernmental organizations, including the World Intellectual Property Organization and the European Patent Organization, the Council for Promotion of Trade has earnestly established relations with international nongovernmental intellectual property rights organizations. On the initiative of the Council for Promotion of Trade, the China branches of the International Association for the Protection of Industrial Property Rights and the International License Trade Workers' Association were set up in 1982 and 1986 respectively. Since their establishment, these organizations have often held international or domestic seminars, and made contributions to the coordination between, and the development of both Chinese and international intellectual property rights systems.

#### Agricultural Bank To Begin Issuing Bonds in June

OW2805102792 Beijing XINHUA in English  
0922 GMT 28 May 92

[Text] Beijing, May 28 (XINHUA)—The Agricultural Bank of China has decided to issue bonds worth one billion yuan and to be sold to individuals in June.

According to the decision, the funds raised from marketing the bonds will be used as loans to help construct and expand rural enterprises, aid projects with good economic efficiency and manufacturing badly needed products.

The annual interest rate of the three-year-term bonds will be 9.5 percent.

#### Youth League Head Discusses Collective Economy

HK2405013592 Beijing RENMIN RIBAO in Chinese  
13 May 92 p 5

[Article by Han Changfu (7281 7022 6346), director of the Communist Youth League of China Central Committee Young Peasants Affairs Department: "Developing Collective Economy Not Tantamount to 'Turning in Everything to Big Collective'"]

[Text] The Eighth Plenary Session of the 13th CPC Central Committee proposed: Rural reform should continue to be aimed at stabilizing the responsibility system with output-related contracts on a household basis as the main component, constantly improving the two-tier management system under which unified management is combined with separate management, gradually expanding the force of the collective economy, and guiding the peasants in taking the road of common prosperity. What is the difference between "gradually expanding the force of the collective economy" and the previous "egalitarianism and indiscriminate transfer of resources" and "turning in everything to the big collective"? A clear understanding of this problem will help prevent the recurrence of previous mistakes and remove

the masses' misgivings and is thus beneficial to the rural economy's healthy development.

1. The background and objective for developing the collective economy are different from the past. The basic background is this: Through 10-odd years of reform and opening up, huge changes have taken place in China's rural areas, the most fundamental change being the universal implementation of the contract responsibility system on a household basis with remuneration linked to output. Now the peasants are different from the "peasants farming on their own" during land reform, and from commune members during the people's communes' period. They are independent producers and dealers contracting for collective land. Developing the collective economy today does not mean forming something in opposition to management on a household basis or excluding people who are becoming better off before of others by legal operations. Instead, this is strengthening unified management and improving the part of the collective economic force that can be put under unified management, in the course of preserving and displaying the initiative in management on a household basis. This requires the clarification of two principles in developing the collective economy: establishment on the basis of stabilizing the responsibility system with output-related contracts on a household basis as the main component and establishment under the prerequisite of the coexistence between various economic sectors with public ownership as the main component.

2. The main intention of developing the collective economy is different. In the course of taking the collectivization road in the 1950s, elementary agricultural producers' cooperatives were shifted to advanced agricultural producers' cooperatives before the former were consolidated. Subsequently, the people's communes, "big in size and collective in nature," were built. The ownership system's transformation became the purpose of carrying out the collective economy. As a result, this seriously affected the development of the productive forces. In developing the collective economy today, the most fundamental departure point is to promote the development of the rural productive forces, to invigorate the rural commodity economy, and to provide more conditions and opportunities for the peasants to develop production and achieve common prosperity. To put it more specifically, the main purpose is as follows: 1) To provide the necessary service for peasant households to carry out management and to enhance the rural productive forces' level, by strengthening the economic force at the unified collective management [ji ti tong yi jing ying ceng ci de jing ji shi li 7162 7555 4827 0001 4842 3602 1461 2945 4104 4842 3444 1395 0500] stratum and improving the two-tier management system; and 2) to better develop the facilities for the peasants' lives and enhance the degree of rural spiritual civilization by increasing the material resources which the collective can allocate in a unified way. Thus measures taken for

the development of the collective economy must correspond with the objective needs for the development of the productive forces, instead of running counter to these needs.

3. The ways to develop the collective economy are different. In the 1950s, the collective economy was regarded as an opponent of management by peasant households, therefore, the collective economy's formation process was the negation of management by peasant households, during which the "retrenchment" method was adopted. Not only production materials, but some subsistence means were also "turned in to the big collective." Now in developing the collective economy, we should carry out coordinated development between the two tiers of separate management by peasant households and unified collective management and simultaneously display their initiative and strong points. The collective economic force should be strengthened mainly by "creation" instead of "retrenchment." There are mainly three creation methods: The first is developing township and town enterprises. Now the basic supporting condition for rural areas with comparatively powerful economic forces is the development of township and town enterprises. The second is developing in an organized way new production spheres, such as uncultivated lands, barren mountains, and barren water areas. The third is carrying out agricultural socialized service. Collective economic organizations accumulate certain amounts of capital by providing compensatory service for the peasants before, during, and after production. Another basic method is properly collecting and managing "profit delivery and retention" according to the provisions of state policies and the contracts signed with the peasants.

4. The collective economy's existence form is different. Collective economic organizations in the 1950s were formed according to rural administrative divisions, under which people's communes, production brigades, and production teams had the same pattern and were of a single collective ownership nature. Even their names were unified. Rural reform has broken the old structure and different organizational forms are allowed to exist simultaneously in developing the collective economy. In terms of scope, collective economic organizations can be formed according to administrative division, such as setting up "cooperatives," "economic combination cooperatives," and "companies dealing in agriculture, industry, and commerce"; they can also be formed by overstepping administrative divisions, such as forming economic integration bodies according to production needs or the nature of trade. In terms of structure, separate economic organizations of a collective ownership nature can be jointly formed by sectors of different ownership systems. In terms of objective, peasants may simultaneously join different collective economic organizations and continue to engage in their household operations all the same no matter what kinds of organizations they join.

5. Management methods for collective economic organizations are different. In the past, management methods

for collective economic organizations took shape under a highly centralized system, whose basic function was "unifying"—unifying labor management, unifying planting and harvesting, unifying distribution, and unifying purchase for equal distribution. In production it was "rushing headlong into mass action"; in distribution it was "eating from the same big pot." Now the establishment of the contract responsibility system on a household basis with remunerations linked to output has enabled the peasants to obtain independence and freedom in terms of production orientation, working methods, and time arrangements. This determines that management methods for collective economic organizations should be democratic, including democratic decision-making for operations, democratic management over financial and material resources, and democratic supervision over distribution. This determines that these management methods should be of equal value. In other words, when dealing with the peasants, the law of value should be applied and the principle of distribution according to work should be implemented. Collective economic organizations should consider the interests of the state, the collective, and the peasants and should not "indiscriminately transfer resources." When carrying out distribution among their members, collective economic organizations should not practice egalitarianism but should carry out distribution according to the amount and results of the labor, capital, and equipment invested. In carrying out irrigation projects in rural areas, building bridges and roads, as well as engaging in afforestation, there is a need to centralize a certain amount of human, financial, and material resources; and the peasants should invest their labor for fund accumulation. But these fall within the functions of township and town governments and village committees and should be carried forward by means of administrative power, laws and regulations, and the resolutions of villager meetings.

6. The process of developing the collective economy is different. The decision of the Eighth Plenary Session of the 13th CPC Central Committee explicitly mentions the need to gradually expand the collective economic force. The word "gradual" means being practical, realistic, active, and steady. In developing the collective economy, we should remain firm in orientation and make the process scientific; we should proceed gradually and in an orderly manner and should not be overanxious for quick results; and we should proceed from reality, consider regional differences as well as the needs and possibilities, and should not rush headlong into mass action and then break up in a hubbub. We should not "spur on the flying horse" or "enter [communism] by running," as was proposed in the late 1950s. Still less should we launch such a political movement as "pulling down white flags" in developing the collective economy.

**Tianjin To Add 12 Industrial Development Zones**  
OW2605134092 Beijing XINHUA in English  
1330 GMT 26 May 92

[Text] Tianjin, May 26 (XINHUA)—The coastal city of Tianjin will establish another 12 industrial development

zones in its 12 districts and counties to attract more foreign investment, Zhang Lichang, deputy mayor of Tianjin City, announced here today.

According to Zhang Lichang, these districts and counties cover all the districts and counties except six urban districts. Tianjin is expected to achieve great economic development through opening more to the outside world and introducing more domestic and foreign investment for the city.

Each of the 12 districts and counties will take out 133 hectares of lands for development.

The newly established joint ventures and domestic-funded enterprises, especially those new and high technology ones and ventures producing products for export in the 12 development zones will enjoy preferential policies provided by the municipal government. Administrative practices will also be more flexible in the development zones.

**Gao Shangquan Urges Hainan 'Large-Scale Opening'**  
HK1505071192 Haikou HAINAN RIBAO in Chinese  
7 Apr 92 p 10

[Article by Gao Shangquan (7559 1424 0356), vice minister of State Restructuring of the Economic System Commission and director of the China (Hainan Branch) Reform and Development Research Institute: "Implement the Guiding Principle of 'Large-Scale Opening Up' To Accelerate Hainan's Development and Construction"]

**[Text] Hainan's Position and Role in Reform and Opening Up of the Whole Country and the Challenge It Faces**

1. Hainan occupies an important strategic position in the whole country's setup of opening up to the outside world. It is China's second largest island, second only to Taiwan. With a land area of 34,000 square km, it is the largest special economic zone [SEZ] in China. In addition, it has a marine area of two million square km making Hainan the province with the largest marine area in the country. How should we speed up the exploitation of Hainan's maritime resources through reform and opening up? This is a matter of great significance in giving full play to Hainan's role in opening up to the outside world.

2. Hainan has a unique geographical position. Its shipping line is China's nearest to Europe, Africa, Australia, and South Asian countries. Furthermore, Hainan, as China's southernmost location, is a latent hub for air, shipping, and overland communications links. Therefore, Hainan's opening up will enable it to become a bridge and tie linking China with the international market and Asian-Pacific economic circles.

3. Hainan is the biggest SEZ in the country. Its social and economic structures are similar to those in the hinterland. However, Hainan's impact on the whole country is limited because its economy only accounts for 0.05 percent in the entire national economy. This means that Hainan's opening up in all directions, and its effort to blaze new trails in implementing the new systems, can not only provide useful experience in economic reform for the whole country, but also reduce the risks in taking actions that will affect the overall situation and selecting ways for development. Viewing things from such an angle, one realizes that Hainan occupies a special position and plays a role that cannot be replaced by other SEZs in the overall setup of reform and opening up of the whole country. Furthermore, construction in the Hainan SEZ is of great significance in giving play to the superiority of the socialist system.

4. Hainan is encountering a very complicated environment, and opportunity and challenges coexist. Hainan Province was established four years ago, and has experienced the improvement of the economic environment and the rectification of the economic order. The "political disturbance" in 1989 had a fairly great impact over the newly established Hainan province. Notwithstanding, Hainan has actively promoted its reform, opening up, economic development and construction. It has achieved successful experiences in many aspects. These experiences are of important significance for the further implementation of China's reform and opening up line. However, we must also realize that since entering the 1990s, drastic changes have taken place in the world's politics and economy and that the entire world economy is increasingly becoming internationalized and all countries face acute competition. This has prompted the world economy to advance rapidly toward internationalization, regionalization, and syndication (ji tuan hua 7162 0957 0553). In particular, syndication trends in the Asian and Pacific region have become increasingly strong. In addition, the drastic changes in the situation in the Soviet Union and East European countries have also produced great influence on the world economic pattern. International capital, which takes making greatest profits as its objective, is trying to enter every market from the best angle. All this shows that the international environment has caused Hainan to face fierce competition. In addition, when the period of improving the economic environment and rectifying economic order has come to an end in China, reform and opening up in the country is gradually developing from the east to the west and from the south to the north. The development of the four SEZs over a period of time and the economic development of Shanghai's Pudong Development Zone have also presented Hainan with a very severe challenge. Because of its disadvantages in capital, talented personnel, and technology shortages, Hainan might be hindered by other regions having better investment conditions. In the face of such fierce international and domestic challenges, if Hainan fails to seize the favorable opportunity to accelerate its development, economic construction in the SEZ will be severely

affected. Of course, competition is acute and challenges are fierce. However, as long as Hainan is bold in marching toward reform and opening up and blazing new trails, good in practice, and able to fully make use of its comprehensive strong points in policies, geographic position, natural conditions, and so on to create a good investment environment, seize the good opportunity, actively import foreign and domestic capital, and actively introduce and utilize foreign capital in particular, its latent strong points will be turned into practical strong points.

#### Fundamental Way Out for Hainan's Development Lies in Further Expanding Opening up

After entering the 1990's, how can Hainan, as the largest SEZ in the country, play a still greater role in the general setup of opening up to the outside world? The fundamental way out lies in further expanding opening up. A large SEZ must implement a "large-scale opening up" [da kai fang 1129 7030 2397] guiding principle. It is appropriate to say that without large-scale opening up, there would be no large SEZ.

1. Large-scale opening embodies Comrade Deng Xiaoping's strategic intentions. In early 1984, Comrade Deng Xiaoping inspected Guangdong, Fujian, and other places. On returning to Beijing, when discussing the issue of expanding opening up to the outside world with several central leaders, he pointed out: "We must also develop Hainan island. It will be a very great victory if we can develop Hainan's economy." In June 1987, when meeting with foreign friends, he reiterated: Our policy decision on establishing SEZs is not only correct but also successful. We are running a still bigger SEZ, that is, the Hainan Island SEZ. Hainan island is as big as Taiwan. It is rich in resources, including iron ore, oil, rubber and other tropical and semi-tropical crops. It will be marvelous if we can develop Hainan island well. In December of the same year, in basic consideration of Comrade Deng Xiaoping's designs of running the country's largest SEZ in Hainan, the central authorities approved and transmitted the "Summary of a Forum on Further Opening up Hainan Island to the Outside World and Speeding Up Its Economic Development and Construction." The "Summary" specifically expounds Comrade Deng Xiaoping's ideas on further opening up Hainan to the outside world, and the steps that should be taken. It promulgates a series of special policies for further opening up Hainan Island to the outside world and speeding up economic development and construction. This shows that the central task assigned by the central authorities to Hainan is to accomplish Comrade Deng Xiaoping's strategic intentions to speed up Hainan's development and construction through further opening up to the outside world and exploiting its strong points in terms of resources, geographical position, and policies. Such being the case, the most essential thing for Hainan to do in accomplishing Comrade Deng Xiaoping's strategic intentions is to further open itself up to the outside world.

2. Hainan has favorable conditions for implementing large-scale opening up guiding principles. The central authorities have stressed that to run a SEZ in Hainan, it is necessary to implement policies which are more special than those implemented in the other four SEZs and exercise greater decisionmaking power in foreign economic activities. Hainan is qualified to enjoy these policies and run a still larger SEZ. First, Hainan island is surrounded by sea. It has a perimeter of more than 30,000 square km. It is an island of over 200 km in length and breadth. It is easy to keep it apart from [ge li 7133 4418] or open it up to the outside world. Second, Hainan island is very rich in natural resources and land, particularly tourism and maritime resources. Third, it has fairly cheap manpower resources. Fourth, thanks to the efforts made over the past four years to lay a foundation, conditions for large-scale development existed in terms of hardware [ying jian fang mian 4289 0115 2455 7240]. In terms of software [ruan jian fang mian 6526 0115 2455 7240], the management levels and capabilities of our cadre contingent have been enhanced. However, we must also realize that Hainan's strong points have not been fully exploited and its potential in various quarters is still great. The key to giving play to its strong points and tapping its potential lies in implementing, in a still better way, the various preferential policies provided by the central authorities, further expanding opening up, and deepening the various kinds of reforms.

3. To implement a "large-scale opening up" guiding principle, we must pay attention to the following points: First, as far as capital is concerned, SEZs must mainly rely on absorbing and utilizing foreign capital to further speed up the pace of introducing investment from abroad and establishing lateral ties at home. Second, it is necessary to actively develop Sino-foreign ventures, enterprises based on cooperative business operations, and enterprises run solely by foreign capital, to give play to the roles of economy under ownership by the whole people, collective economy, private economy, and individual economy. Third, products are mainly for export or sale in other areas, to speed up the intertwined process with the international market. Fourth, the emphasis of economic operations must be placed on market regulation to establish and improve the socialist market system. The Hainan SEZ must be opened up to the outside world in all directions to promote full-scale development and construction through large-scale key development projects.

To implement a "large-scale opening up" guiding principle in Hainan, a fundamental measure which must be taken is to establish, as quickly as possible, a special tariff zone characterized by "freeing the first line and exercising control over the second line." Hainan's geographical strong points are more unique than other regions. In recent years, a considerable improvement has been made in its basic facilities, management, and so on. It has accumulated experience. Conditions exist in Hainan to establish a special tariff zone. The present

opportunities and conditions are good. Hainan must seize on the favorable opportunities to strive and prepare to establish its special tariff zone. Only thus can the "large-scale opening up" guiding principle in Hainan be truly implemented.

#### Accelerate Pace of Hainan SEZ Reform Around Drive of Opening Up to Outside World

To further expand Hainan's opening up to the outside world, it is necessary to closely link opening up with economic and political structural reform, so that they can mutually promote each other. How should Hainan's reform be carried out around the drive of opening up to the outside world and organically linked with the expansion of opening up? Here, what is most important is that opening up to the outside world must be organically integrated with the province's practical condition, and the practical reality of its construction. Proceeding from this point, we must be bold in reforming those economic and political systems which do not conform with the development of productive forces. We must take the establishment of the new system, which is beneficial to opening up to the outside world, as a fundamental aim of our reform. This new system must conform with Hainan's practical conditions and the demand of its opening up and construction. In the meantime, it must be beneficial to the expansion of opening up. Various measures for reform must be formulated from this angle.

1. In accordance with the principle of separating government administration from enterprises, we must deepen reform in state-owned enterprises. Separating government administration from enterprises, and changing enterprises' operational mechanisms, is a key question in deepening enterprise reform. If we fail to solve this question, it will be impossible to invigorate enterprises or solve the problem of equal competition among various economic sectors. Therefore, under the prerequisite of separating government administration from enterprises, we must selectively carry out the joint-stock system and adopt reform measures in the deeper levels, including auction, merger, bankruptcy, and so on in light of enterprises' different conditions. Conditions exist in Hainan to change enterprises' operational mechanisms and to push them into the market and to pursue the joint-stock system. This is because conditions exist in Hainan for different kinds of ownership systems based on introducing investment from abroad and establishing lateral ties at home. In the meantime, Hainan's conditions for implementing a system of "small government, big society" and growing market mechanisms are much better than those in the interior. Therefore, we must be bold in making exploration and have the courage to blaze new trails.

2. It is necessary to establish and improve an open socialist market system. A basic prerequisite for developing an export-oriented economy is that we must have a sound and open market system. Otherwise, it would be impossible to invigorate our enterprises and economy or develop our export-oriented economy. Therefore, in

accordance with the demand of expanding opening up, we must establish and improve our wholesale, futures, and other essential markets. In the meantime, in accordance with the demand to establish and improve our open market, we must straighten out price relations as early as possible to create conditions for equal competition. With regard to the question of planning and market, I believe that the most important thing is that we must avoid an endless dispute over terms and expressions. On the contrary, we must explore in practice a specific form for integrating planning with market. Planning and market are means and methods for regulating economy. They are not marks for differentiating capitalism from socialism.

3. We must properly grasp the coordination of various reforms and promote, in a comprehensive way, reform of the social insurance system as quickly as possible. We must reform the relevant labor and personnel system, distribution system, and housing system. Reforms in these aspects will produce a great impact on overcoming the defects of the old systems and create new systems which conform with the development of our export-oriented economy.

4. We must improve and strengthen an indirect macroscopic regulation and control system for "small government." Whether Hainan's "small government" can be both small and effective is most importantly determined by whether it can effectively seize hold of the market, regulating and controlling market operations and standardizing market behavior through reforming our monetary, financial and planning systems and making use of market levers.

5. We must truly and properly grasp comprehensive reforms at county level. The greatest difference between Hainan and other SEZs lies in the fact that Hainan administers 19 cities (counties). In particular, the county economy has formed a large proportion of the economic development setup of the whole province. Backward economic sectors have also occupied a large part. Failure to solve the problems of county-level economy will greatly constrain the development of Hainan SEZ. Therefore, it is necessary to speed up the pace of reforms at county level. On the basis of improving the system of contracted responsibility on a household basis with remuneration linked to output, it is necessary to further expand the collectivized service system in rural areas and accelerate rural socialized production by carrying out reforms of county-level industrial, circulation, and financial systems, so that our rural commodity economy will achieve a new development.

#### Accelerate Hainan's Economic and Social Development Amid Reform and Opening up

The ultimate aim of running the largest SEZ in Hainan, deepening reform, and expanding opening up, is to promote the development of Hainan's productive forces and its social progress. Therefore, while studying Hainan's reform and opening up, we cannot but fully

consider the way to organically integrate reform and opening up with development. Only thus can reform have a clear and definite orientation and solid foundation. Only thus can we speed up the pace of reform and opening up.

It is necessary to gradually link Hainan's economic development with the international market amid reform and opening up, to accelerate the pace of development and construction.

1. It is necessary to study ways of improving investment environment to create basic conditions for attracting considerable investment by foreign countries and other parts of the country. A basic task for improving the investment environment is to promote the construction of basic facilities. It is beyond Hainan's present financial capabilities to undertake all investments in the construction of basic facilities. It is necessary, through reform and opening up, to tap various sources for investment in basic facilities projects. In particular, we must import foreign capital to promote international cooperative development and investment projects. The other aspect of improving the investment environment is that we must promote large-scale development. It is necessary to assign certain zones to foreign businessmen, where they can make investments in basic facilities construction. Therefore, it is necessary to formulate a comprehensive plan for land which can be developed to attract both foreign and domestic investors.

2. It is necessary to study the question of taking market demand as a guide to promote the coordinated development of trade, industry, agriculture, and tourism. One of the keys to developing Hainan's economy lies in expanding its trade. If we fail to solve this problem, many of Hainan's strong points will probably turn into weak points in the course of development. Therefore, we must expand intertrade channels for the sale of Hainan's products and the international market. In the course of expanding the international market, it is necessary to promote domestic sales of agricultural and sideline products which can save foreign exchange. In the immediate and near future, the development of Hainan's industry must rely mainly on trade to upgrade and update processing and manufacturing industries for agricultural products. Hainan must select an industrialization approach which can push forward its export-oriented economy and the development of its foreign trade in particular. Guided by international market demand, it must also base itself upon its strong points in natural resources and pursue a guiding principle of promoting the coordinated development of its "trade, industry, and agriculture." It must start with the agricultural product processing industry, which has the advantage of less investment, rapid results, and good market demand to gradually accomplish its industrialization. Agriculture is a very important undertaking in Hainan's economic structure. The vital question facing agricultural development is to turn traditional agriculture into modern agriculture. Hainan's development of export-oriented economy must never be an industrialization strategy

purely for industry's sake at the expense of agriculture. On the contrary, we must continuously coordinate relations between industry and agriculture, so that both of them can develop. In particular, we must now take agricultural development as a focal point in our strategy of promoting an export-oriented economy. Besides, we must also take tourism as a strategic undertaking for Hainan's development of its export-oriented economy and gradually turn Hainan into a multifunctional and comprehensive international tourist center.

3. It is necessary to study the issue of speeding up scientific and technical progress to promote economic development. To promote the development of Hainan's export-oriented economy, it is necessary to accelerate its scientific and technical progress. It is necessary to improve the quality of Hainan's labor force resources through education and training. We must formulate a plan for digesting, popularizing, and innovating in useful imported technology to constantly enhance Hainan's technical know-how level. We must also readjust our production and organization setups to increase enterprises' economy of scale.

4. It is necessary to study the strategy of integrating Hainan's economic development with the ecological balance. We must turn Hainan's strong point of a green environment into a strong point in economic development. We must protect the environment and develop the economy through importing both domestic and foreign investments, attach importance to the comprehensive development of large-scale tropical agriculture and tropical tourism, and expand our green environment in a creative manner in the course of accelerating our export-oriented economy. In the meantime, we must also study the issue of internationalizing Hainan's environmental protection.

5. We must study the issue of advancing from land development to marine development because Hainan's marine resources constitute its basic strong point. Hainan province has a vast sea area. It is a "small province in terms of land but large in terms of ocean." This is Hainan's abundant capital for developing its export-oriented economy. Therefore, it is necessary to be more conscious of our ocean environment to gradually turn land development into marine one. This is an urgent and strenuous task for developing Hainan's economy. With regard to Hainan's marine development, we must rely mainly on importing foreign capital to take a new road of international cooperation and development.

**Tian Jiyun Speaks on Water, Soil Conservation**  
OW2305113692 Beijing XINHUA Domestic Service  
in Chinese 0838 GMT 22 May 92

[By RENMIN RIBAO reporter Jiang Xia (3068 1115), XINHUA reporter Zhao Peng (6392 7720), and trainee Zheng Weifu (6774 4580 1381)]

[Text] Beijing, 22 May (XINHUA)—Addressing the opening session of the fifth national conference on water and soil conservation today, Vice Premier Tian Jiyun said that soil erosion has become one main problem obstructing China's agricultural and economic development. He said that preventing soil erosion by intensifying water and soil conservation is a long-term basic national policy we must uphold to ensure a sustained and steady agricultural and economic development.

Jiang Zemin, Li Peng, Bo Yibo, and Qian Zhengying sent separate written messages to the conferences.

China has achieved noticeable success in water and soil conservation in the past decade. People in various parts of the country have started to harness small basins—with a total area of over 600 million mu—along more than 9,000 rivers; so far they have harnessed more than 300 million mu of land. During the 10-year period, the size of land harnessed each year was twice as large as that harnessed each year during the previous 30-year period. Along the Huang He basin, 110 million mu of land—equal to the total size of land harnessed during the previous 30-year period—has been harnessed. According to water conservancy authorities, over the past 40 years, the nation has comprehensively harnessed over 790 million mu of land and controlled 35.5 billion tonnes of soil with embankments, and these projects have increased output by more than 63 billion yuan. Meanwhile, people have also achieved significant breakthroughs in building shelterbelts in north, northwest, and northeast China; in the middle and upper reaches of the Chang Jiang; and on plains along the coast by afforesting over 270 million mu of land. These shelterbelts have contributed significantly to the ecology.

Tian Jiyun said: Displaying the spirit of reform, people in various parts of the country have gained a lot of experience in preventing soil erosion. Many places have drawn up rules to unify responsibilities, rights, and benefits, as well as rules for harnessing, managing, and using water resources. This is an actual application of rural areas' household-based contract system in water and soil conservation. The state also has earmarked special budgets for carrying out sizable and collective water and soil conservation projects in 14 areas plagued by serious soil erosion. While overall plans for harnessing large basins have been drawn up, conservation efforts are being made in small, individual river basins. This has increased the overall efficiencies of various water and soil conservation projects. While controlling soil erosion, poverty-stricken areas have combined control projects with their development and antipoverty projects. Consequently, conservation projects have become these areas' projects to solve their basic food and clothing problems and to fight poverty. These areas should continue their good work.

Tian Jiyun stressed: Soil erosion remains serious in China today. As the nation's population and economy continue to grow, the current shortages of water and soil resources will become even more serious. We must

understand—from a strategic perspective—that water and soil conservation is the lifeline of mountainous development, the fundamental requirement for land and water preservation, and the cornerstone of economic and social development. He said: The general objective in the next decade is to carry out comprehensive water and soil conservation and harness seriously eroded areas. We must control soil erosion to prevent it from getting even worse, and we must accelerate conservation efforts in the 14 areas plagued by serious soil erosion and in the upper reaches of the Huang He and Chang Jiang, as well as the Three Gorges areas. To achieve these objectives, all local governments should, in accordance with the "Water and Soil Conservation Law," place water and soil conservation on their agendas of important affairs and set goals to be accomplished before their terms of office expire. More funds from various sources should be channeled to the prevention of soil erosion. During the Eighth Five-Year Plan period, the state will continue to increase expenditures in this respect. All provinces, in addition to gradually increasing their expenditures in this regard, should also hire more workers in eroded areas to conserve water and soil resources instead of providing relief funds. Measures should also be drawn up to encourage the public to take part in the endeavor. Available funds for water and soil conservation should be subsidized so foundations for water and soil conservation can be established. Water and soil conservation projects in all localities should be closely associated with their economic development projects so peasants can benefit from the conservation programs. While proceeding with their conservation projects, all localities should set priorities and use the experiences gained from accomplishing these priority projects to guide the work in other areas step by step.

Units and individuals having distinguished themselves in water and soil conservations in various parts of the country will be commended at the conference.

#### Agriculture Ministry Says Crops Growing 'Well'

HK2805061092 Beijing CHINA DAILY in English  
28 May 92 p 1

[By staff reporter Wang Dongtai: "Harvest Expected Despite Droughts"]

[Text] Summer crops are growing well in most grain-producing provinces despite winter and spring droughts, said an official from the Ministry of Agriculture.

Grain crops are expected to ripen well if wheat crops are not damaged by strong winds or storms in large areas or if serious disease and pests don't wreak havoc within the next 20 days, said Zhao Hanjie from the Information Department of the ministry.

Farmers in the south have already started to harvest their wheat and in most of the wheat-producing northern provinces, farmers will start to harvest within two weeks.

Wheat output is expected to increase in Anhui and Jiangsu provinces, which suffered losses in autumn crops due to rains and floods last year. Wheat crops are also growing well in some areas in Henan Province, which was also hit by floods last year.

Efforts made by local governments in organizing farmers to fight drought in winter and spring in some provinces contributed to good wheat harvests this year, Zhao said.

Provinces including Henan, Hebei, Gansu, Shaanxi, and Shanxi suffered droughts in winter or spring but local governments made great efforts to combat drought and kept crop losses down to a minimum.

Provinces and autonomous regions expecting an increase in wheat output this year include Anhui, Jiangsu, Sichuan, Xinjiang, Yunnan, Guizhou, Hainan, Guangxi, Jiangxi, and Liaoning.

At present, wheat crops still face the danger of a dry, hot wind which will affect the harvest if it occurs before the wheat is ripe.

Rainstorms will pose another threat to wheat crops by causing them to fall down before ripening.

Continued rains during harvest time will also cause damage.

Apart from wheat, crops of corn, sweet potato, soybean, and peanuts are also growing well and the outputs of those crops are expected to increase. Output of silkworm cocoons is also expected to increase, Zhao said.

In 1990, China had a bumper harvest of more than 100 million tons of summer grain.

Because of floods, grain output suffered great losses last year and the government adopted serious measures to build irrigation projects to prevent damage caused by natural disasters.

Apart from efforts to build irrigation facilities, the government will adopt a series of reforms to ensure continued good harvests.

One of the reforms will be the establishing of market networks for farmers to sell their products.

At present, the government's commercial agencies have great difficulty in purchasing grain from farmers because of lack of warehouse space.

At present, all warehouses are full and no vacant ones are available to government purchasing agencies to hold newly harvested grain. Many farmers have to store their grain in their homes while still others have to keep rape seeds harvested last year, Zhao said.

## East Region

### Fujian Collects Land Fees From Foreign Firms

HK2805073692 Hong Kong CHING CHI TAO PAO  
in Chinese No 20, 25 May 92 pp 18-19

[“China economic news” article: “Fuzhou City Imposes Land Use Fee on Foreign-Funded Enterprises”]

[Text] To strengthen management of foreign-funded enterprises' land use and to protect the state's interests and foreign-funded enterprises' legitimate rights to use land, the Fuzhou City people's government imposed a land use fee on foreign-funded enterprises, beginning 1 April 1992.

The city government regulation stipulates that except those foreign-funded enterprises which have acquired the right to use land by compensated lease or transfer of state-owned land, the foreign-funded enterprises in Fuzhou's Gulou, Taijiang, Cangshan, Mawei, and suburb areas should file applications for land use at the Fuzhou City Land Management Bureau Landed Property Management Office 1 April-30 June, and pay land use fees in pursuance of the relevant regulation. Enterprises which fail to file applications for land use and pay fees according to the relevant regulation will be punished in pursuance of the relevant law.

The standard for collecting land use fees from foreign-funded enterprises is decided according to the use and grade of land. The highest grade is land used for commerce, service industry, and tourism, and this kind of land requires 15 yuan per square meter per year; the lowest grade is the sixth grade, which is used for building industrial warehouses, and this kind of land requires 1.5 yuan per square meter per year; the fee on land for agriculture, animal husbandry, fish breeding, and poultry raising ranges from 1 to 3 percent of the turnover; and the land established with enterprises producing exports and with high-tech enterprises will be given preferential consideration concerning land use fees.

### Huang Ju on 'New Situation' in Reform, Opening

OW2805051992 Beijing XINHUA Domestic Service  
in Chinese 1205 GMT 27 May 92

[By reporters Chen Ming Chen Ming (7115 6900) and Zhang Chaowen (1728 6389 2429)]

[Text] Shanghai, 27 May (XINHUA)—Shanghai Mayor Huang Ju said yesterday: Since the spring of this year, foreign investments in areas along both banks of Huangpu Jiang have increased, reform measures have been implemented one after another, and government organizations and enterprises have been trying things out and moving ahead daringly. Therefore, a new situation has been created in which reform and opening to the outside world are rapidly developing simultaneously.

While being interviewed on economic restructuring by a reporters' group from Beijing, Mayor Huang Ju said: The pace of Pudong development has been noticeably accelerated. The construction of 10 major infrastructure projects is now in full swing. Following the opening of the Nanpu Bridge to traffic, the Yangpu Bridge is being built at a faster pace. The Yangtze highway project is being built day and night as the No. 1 project of this year's urban construction. The construction of one highway, two bridges, and three areas has drawn more and more worldwide attention to Pudong. More than 200 foreign investment projects, with a total investment of over \$1 billion, have already been approved, and a number of world-famous international companies have moved into the new area. A new development zone—eastern Shanghai where changes take place day after day—will soon appear on the east bank of the Huangpu Jiang.

To deepen reform, measures have been implemented one after another. Results are encouraging. Tremendous progress has been made in reforming the financial system. By the end of April, foreign banks had opened 14 agencies in Shanghai. Following the successful issuing of B shares targeted for foreign investors last year, we lifted limits and issued A shares in Shanghai on 21 May for domestic investors. The decontrolled stock market is stable and harmonious. Trade in enterprise bonds and shares is brisk, and Shanghai's stock market is developing in a healthy way. This is an important step taken by Shanghai to regain its position as an international financial and trade center. Price reform is also going smoothly, and limits on the prices of nonstaple food, with an important bearing on the masses, have all been lifted this month. The reform of the housing system is generally welcomed by 8.5 million urban residents. New measures, such as subsidy-aided sales of houses and use of foreign investment for housing construction, have been implemented. In addition, reform measures on medical care, unemployment insurance, and a pension system are soon to be discussed by all city residents.

In the reform of enterprise management mechanisms, Shanghai has chosen 18 state enterprises to experiment on the implementation of all preferential policies granted to the foreign-funded enterprises and adopt their own reasonable operational methods, receiving support from their workers and staff members. Those enterprises, which people humorously call “imitations,” have achieved remarkable results. In addition to a number of shareholding enterprises, Shanghai has approved another 45 enterprises to institute the shareholding system. The right to own an enterprise is rather thoroughly separated from the right to operate one. At the same time, new preferential policies have been adopted for contracted enterprises. Mayor Huang said: Three types of reforms—adopting mechanisms used by foreign-funded enterprises and instituting the shareholding system and the contract system—are being carried out in all enterprises in Shanghai to promote the independent management of enterprises.

In Shanghai, the situation in opening to the outside world is gratifying. As of 20 May this year, Shanghai introduced 402 foreign-funded projects, involving a contracted investment of \$710 million. These two figures accounted for 110 percent and 158 percent of last year's totals. Small- and medium-sized enterprises in Kansai, Japan, have decided in principle to develop an industrial park in Shanghai.

Huang Ju said: Carrying out reforms and opening to the outside world in an all-round way have effectively promoted the steady development of Shanghai's economy. From January to April, industrial products made in the municipality were marketable, and its gross domestic product reached 31.1 billion yuan, a 14.5 percent increase over the same period of last year. In carrying out reforms and opening to the outside world, Shanghai should continue to skillfully play "the China card" and "the world card." We should plan our development strategy with a forward-looking perspective and strive to establish Shanghai step by step as a financial and economic center on the west shore of the Pacific.

#### **Mayor Huang Ju on Gathering Momentum in Reform**

*OW2705102892 Beijing XINHUA in English  
0948 GMT 27 May 92*

[Text] Shanghai, May 27 (XINHUA)—Shanghai, China's leading industrial city, has witnessed a new upsurge in reform and opening to the outside world since Deng Xiaoping inspected and made remarks here calling for quicker and bolder steps in the reform and opening drive in February.

Huang Ju, mayor of the city, made the conclusion Tuesday while meeting reporters from Beijing.

In the past three months, foreign investment in the city has increased rapidly and many reform measures have been implemented by both the municipal government and enterprises.

Huang said that Shanghai people have been greatly encouraged by Deng's remarks and are eager to seize the opportunity to boost local economic development.

The development of the Pudong new area on the east bank of the local Huangpu River has been accelerated remarkably, he said. The 10 major projects for Pudong have all started. Construction of the Yangpu Bridge, one of the 10 projects, is being constructed at a faster speed than that for the Nanpu Bridge, a newly completed bridge across the Huangpu River. The Yangpu Bridge is expected to be completed within this year.

The Pudong New Development Area has already approved 200 foreign-funded projects, involving a total investment of one billion U.S. dollars.

Pudong has more than 300 square kilometers, equal to the size of old Shanghai on the west bank of the Huangpu River, and its opening is projected to lead the economic growth in the entire Yangtze River Valley.

The mayor continued that with various measures taken, reform results in all sectors in Shanghai are encouraging, including most prominent successes in the banking reform.

By the end of April, foreign banks had opened 14 agencies in Shanghai. Following the successful issuing of B shares targeted for foreign investors last year, Shanghai lifted limits on all listed shares on May 21. With the development of the stock market, Shanghai is expected to regain its position as an international financial center.

The price reform is also going smoothly in the city, with limits on prices of nonstaple food all lifted. Measures on the housing reform, including subsidy-aided sales of houses and use of foreign investment for housing construction and commercial sales of housing, have been implemented with success.

In addition, reform measures on medical care, unemployment insurance and pensions is to be discussed by all citizens soon.

As a bold step, the city has also chosen 18 state enterprises to pilot the implementation of all preferential policies granted to the foreign-funded enterprises and adopt their operational methods.

In addition to the 200 share-holding enterprises, Shanghai approved another 45 such enterprises this year.

Between January and May 20 this year, the city had introduced 402 foreign-funded projects, involving a contracted investment of 710 million U.S. dollars, 110 percent and 158 percent, respectively, of last year's total.

The city recorded a steady economic development, the mayor said. In the January-April period, the city's gross domestic product reached 31.1 billion yuan, a 14.5 percent growth over the same period of last year.

#### **Shanghai Forum on Studying Deng Xiaoping's Talks**

*OW2405084992 Shanghai People's Radio Network  
in Mandarin 2300 GMT 21 May 92*

[From the "Morning News" program]

[Text] The Propaganda Department of the Shanghai Municipal CPC Committee recently held a forum attended by Shanghai's theoretical workers to discuss and exchange gains in studying the important talks made by Comrade Deng Xiaoping during his trip to southern China as well as the guidelines of the plenary meeting of the Political Bureau of the CPC Central Committee.

The atmosphere was lively throughout the meeting, with many participants expressing their views. The participants held that Comrade Deng Xiaoping's important talks demonstrate his great foresight, conform to the historical trend of the times, enjoy the support of the people, and have a strong guiding significance and profound historical meaning. His talks have heightened

the spirit of the people. They expressed that, as theoretical workers, they must clearly understand their historical responsibility. It is imperative to conscientiously study and deeply understand the essence of Comrade Deng Xiaoping's important talks, emancipate their minds, change their concepts, deeply study and actively publicize the theory of building socialism with Chinese characteristics, plunge themselves into reform, understand reform, support reform, and promote the development of reform and opening up to the outside world.

Jin Binghua, head of the Propaganda Department of the Shanghai Municipal CPC Committee, attended and spoke at the forum. Jin Binghua pointed out that, in studying Comrade Deng Xiaoping's important talks, it is essential to study in a penetrating and practical manner. We should thoroughly understand Comrade Deng Xiaoping's talks and embody the guidelines in our action.

### Central-South Region

#### Xie Fei Addresses Provincial CPC Congress

HK2805073892 *Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 21 May 92*

[Excerpts] On 20-21 May, a Guangdong Provincial CPC Congress was convened in Guangzhou, which was mainly devoted to electing the Guangdong deputies to the forthcoming 14th National CPC Congress.

A total of 458 deputies from various fronts, cities, counties, and prefectures across the province, as well as various organs directly under the provincial authorities attended the congress.

Xie Fei, secretary of the Guangdong Provincial CPC Committee, presided over and delivered a speech at the opening ceremony.

Zhang Guoying, deputy secretary of the Guangdong Provincial CPC Committee, also gave a speech explaining issues relating to the election of Guangdong deputies to the forthcoming CPC National Congress. [passage omitted]

At the congress, the deputies conscientiously deliberated and unfolded heated discussions on a tentative namelist of Guangdong deputies to the forthcoming CPC National Congress.

Today, the congress called a plenary meeting at which 68 provincial deputies to the forthcoming 14th National CPC Congress were formally elected by secret ballot. [passage omitted]

#### Guangdong State-Owned Enterprises Adopt Reforms

HK2705041892 *Hong Kong ZHONGGUO TONGXUN SHE in English 0125 GMT 27 May 92*

[Text] Guangzhou, May 26 (HKCNA)—State-owned enterprises in Guangdong Province generally making

heavy losses, have devoted themselves to the reform of employment system starting this year with the first batch of 100 major enterprises keenly carrying out the contractual system for all workers, to realize a change in the operation mechanism.

Many state-owned enterprises across the province meanwhile are implementing to a various extent reform besides the 100 enterprises employing the contractual system on a trial basis, an official from the Guangdong Bureau of Labor said. Twelve cities including Zhuhai, Shantou, Shaoguan, Heyuan, Meizhou, Huizhou, Zhongshan, Foshan and Qingyuan have set up leading bodies responsible for the deepening of reform of wage and insurance system for enterprise labor.

#### Guangxi Delegation Visits Guangdong Province

HK2805034592 *Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 16 May 92*

[Excerpts] A Guangxi delegation led by regional party committee Secretary Zhao Fulin and regional people's government Chairman Cheng Kejie visited Guangdong on a nine-day study tour from 2 to 11 May. The study tour was designed to help Guangxi authorities further implement the spirit of the speeches made by Comrade Deng Xiaoping's during his south China tour and of the full meeting of the CPC Central Committee Political Bureau. The tour was also designed so that delegation members could acquire a better understanding of Comrade Deng Xiaoping's speeches, through their personal study of Guangdong's realities, and to find out about achievements made and experiences gained by Guangdong since the reform and open policies were introduced, so that they can find ways of expediting Guangxi's reform, opening, and economic construction.

During the nine-day tour, the delegation heard reports on the experiences of various cities and counties including Guangzhou, Panyu, Shunde, Zhongshan, Zhuhai, and Shenzhen. They also toured these cities and counties for on-the-spot investigations and visited a number of key enterprises, foreign-funded enterprises, hi-tech enterprises, rural enterprises, the Guangzhou economic and technology development area, the Shatoujiao bonded industrial area, and Shenzhen stock exchange, markets, exhibitions, and tourism facilities.

The delegation also divided itself into five groups to carry on discussions with Guangdong's corresponding departments. Guangdong's comrades briefed the delegation frankly on the achievements made, and the changes brought about, by reform and opening and on actual measures applied, greatly enlightening and encouraging the delegation members. Many members said that Guangdong's reform and opening gives full expression to socialism's superiority and proves the correctness of the party's lines, principles, and policies adopted since the Third Plenary Session of the 11th CPC Central Committee. Guangdong has made great headway in building socialism with Chinese characteristics.

After listening to reports, visiting various units, and holding discussions, the delegation members agreed on the following points.

It is necessary to learn from Guangdong in firmly implementing the party's lines adopted since the Third Plenary Session of the 11th CPC Central Committee and persisting in focusing on economic construction. We must press ahead boldly with what is beneficial to us in three respects. Every sector must wholeheartedly engage in common pursuits without wavering, despite stormy waves, and do away with any interference. Efforts should be made to breathe new life into the economy and powers delegated to lower levels and enterprises. The government must change its functions and the enterprises' operational mechanisms. We must lift restrictions on enterprises and subject them to market forces so that they will learn to compete against their counterparts in our efforts to develop the commodity economy. Like Guangdong, we must set up an economic operational mechanism which combines economic planning with market regulation and follows a steady course upward.

We must open wider to the outside world and act boldly to introduce foreign funds and advanced technologies and equipment, drawing on advanced managerial skills practiced in Western developed countries and expanding the collective economy, especially rural enterprises. As regards investment in construction, we must raise funds through various channels, revitalize banking operations, and use foreign funds.

In carrying out reform and opening policies, we must be courageous in exploring new ways and acting and proceeding from our actual conditions in everything we do. We must conscientiously implement policies which conform to realities and flexibly implement those that do not [sentence as heard].

Immediately on returning to Nanning, the delegation spent two days finding out where Guangxi lagged behind compared with Guangdong. The delegation members held discussions, analyzed Guangxi's experiences, talked about what they had learned in visiting Guangdong, and raised many opinions on hastening Guangxi's reform and opening in light of local actual conditions. [passage omitted]

At the meeting to summarize what the delegation had learnt from its trip to Guangdong, Zhao Fulin dwelt on the problem of what Guangxi should learn from Guangdong. He advanced the following opinions.

1. Free ourselves from old ideas, update our concepts, enhance our awareness of the importance of, and our firmness in, carrying out the party's basic line. The basic line will remain unchanged for 100 years. We should keep an unyielding grip on economic construction, always pursuing it unwaveringly. We must be firm in this respect. Guangdong owes its achievements over the last 13 years to its own firmness and conscientiousness in engaging in economic construction. We must constantly emancipate our minds and seek unity of thought. We

should have a good grasp of the criteria for judging the surname of particular policies. What is beneficial to us in three respects is surnamed socialist. It is necessary to develop consciousness of reform and opening, the commodity economy, and of science and technology being part of the primary productive forces. 2. Set up a new economic operational mechanism in accordance with the principle of combining economic planning with market regulation, including: Reform of the planning system, improving management of prices, invigorating banking operations, raising funds through various channels, freeing enterprises, subjecting enterprises to market forces, adding vigor to scientific research institutes and to the market for science and technology, and so on.

3. Readjust our development strategy. On the one hand, we must take opening as the key link, promoting reform through opening and development through reform. To carry out the open policy, we must: Open the country's and the region's doors wide; boldly draw on advanced managerial and operational skills practiced in Western countries; and introduce funds, technologies, and advanced equipment. We should not erect barriers, seal off our region, or fear that outsiders will receive benefits from our open policy. Neither should we enforce an economic blockade nor impose restrictions on exchanges of qualified people. On the other hand, we should carry out cooperation with Guangdong while learning from it and serve southwest China while enlisting its support.

4. State-owned enterprises should be regarded as the leading factor in the national economy while allowing other economic sectors to develop in various ways. Specifically speaking, efforts should be made to revitalize state-owned enterprises and to expand the collective economy. We must attach special importance to rural enterprises and run and develop foreign-funded enterprises and individually funded enterprises efficiently.

5. In developing industry, we must shift our attention to setting up market-oriented industrial enterprises, placing emphasis on setting up intensive processing, hi-tech, and export-led industries, and on opening up new markets, in a bid to gradually set up a new, export-led, and high-efficiency industrial structure.

6. Use advanced technologies to update old enterprises to set up a number of processing enterprises which are cost-effective and can yield quick results. A number of loss-making enterprises should be closed down in the course of reforms.

7. Steadily increase grain output. Great efforts should be made to develop quality and high-efficiency agriculture and to expand farms engaged in producing commodity grain or grain for export.

8. Vigorously develop the tertiary industry, build up more markets, including specialized markets and wholesale markets, and enliven circulation.

Zhao Fulin also stressed the need to carry out to the letter the policies of streamlining the administrative structure, delegating powers to lower levels, and changing the government's functions. The necessary powers should be delegated to enterprises and the necessary powers should also be delegated to governments at lower levels. We must show fixed determination in delegating powers. Only in this way can we arouse millions upon millions of people to action, raise work efficiency, study policies in a better way, strengthen overall control, and do a better job in managing the economy.

Zhao Fulin called on leading bodies at all levels to develop the spirit of working hard to make progress and of pressing ahead in unity. They should devote their energy and wisdom to our cause, do more solid jobs, have confidence in each other, support each other, constantly improve leadership skills, and dare to explore new ways and actions. What is most important for the present is to devise the best ways to utilize existing policies. It is necessary to reverse the situation wherein our cadres fail to study, familiarize themselves with, and apply the existing policies; are afraid to flexibly implement the policies; and fail to implement the policies. On the premise of adhering to the spirit and principle of the policies, we should carry out certain policies in a flexible way. In the meantime, we must implement those policies which have not been implemented. Documents should be conscientiously sorted out. Equal attention should be paid to material and spiritual civilization. We should do a good job in promoting not only material progress and reform and opening but also cultural and ideological progress and party building. [passage omitted]

While in Guangdong, the delegation was warmly welcomed by Xie Fei, Guangdong Provincial CPC Committee secretary, Vice Governor Ling Botang, et al. [passage omitted]

#### **Guan Guangfu Urges Stress on Rural Work**

*HK2805040992 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 15 May 92*

[Excerpts] [passage indistinct] Guan Guangfu [provincial party committee secretary] continued: In the meantime, we should attach great importance to agriculture and rural work. Under the excellent situation, we should not ignore agriculture and grain production. It is necessary to guard against a severe slump in certain sectors of agriculture, especially in grain production.

Guan Guangfu stressed the need to constantly improve the dual management combining household and collective operations, vigorously develop the socialized service system, and to gradually expand the collective economy, while preserving the contract responsibility system on a household basis with remuneration linked to output. We must continue, he said, to effectively grasp socialist ideological education in rural areas in accordance with the central authorities's arrangements, send agronomists and persons in charge of departments directly under the

provincial party committee and governments to Jingshan County, to solve specific problems with the pilot project work for combining agriculture with science and technology, and education in an overall way to gain experience for launching the crusade to revitalize agriculture in depth across the province through application of science and technology and expansion of education.

[words indistinct] decided, after study, to lift price restrictions on grain and cotton for which the state does not place an order, allowing peasants to dispose of them on their own and to join in market readjustment to enliven circulation. [passage omitted]

Guan Guangfu also spoke of the need to draw on the experiences of other provinces, autonomous regions, and cities in these provinces and autonomous regions, to elevate Hubei's rural work to a new stage.

#### **Southwest Region**

##### **Guizhou's Wang Chaowen Addresses Land Conference**

*HK2805024592 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 17 May 92*

[Excerpts] At a provincial land transformation conference convened yesterday, provincial Governor Wang Chaowen called on all levels to continue in-depth reforms, step up policy implementation, speed up development, and guarantee development quality.

Wang Chaowen noted: First and foremost, we must acquire an in-depth understanding of both the necessity and importance of the work to transform mountain slopes into terraced fields. At present, the provincial per capita cultivated area stands at only 10.85 mu while the mountain slopes account for more than 75 percent of the total cultivated area across the province. Under such circumstances, in order to survive and develop, we must understand and master nature, carry forward a hard-working and pioneering spirit, and successfully carry out farmland capital construction with the emphasis on transforming mountain slopes into terraced fields. To this end, we must first and foremost see to it that all projects concerned are under efficient construction. [passage omitted]

Wang Chaowen emphatically stated: The work of transforming mountain slopes into terraced fields is aimed at building high-standard, stable-yield, and high-yield farmland. We must take steps to build water conservancy projects, carry out afforestation, and strive to bring various local economic superiorities into full play. Provincial leaders, including Yang Mingde, Su Gang, Chao Xuechang, He Renzhong, and others, attended and delivered speeches at the meeting.

**Sichuan Uses Mass Media To Track Down Criminals**  
**HK2505065692 Beijing FAZHI RIBAO in Chinese**  
**10 May 92 p 1**

[Report by Zhang Xiaole (1728 0879 2867) and Liao Zuoquan (1675 0155 6898): "Chengdu Uses Mass Media Successfully in Tracking Down Criminals at Large"]

[Text] Making bold use of the mass media, the public security organs in Chengdu city were able to expose the identities of wanted criminals on television and radio and in newspapers and propaganda materials, and to extensively mobilize the people in apprehending criminals at large. In just 50 days, the city was able to arrest 743 criminals wanted by the city and by other provinces and cities, as well as uncover a large number of big and major criminal cases.

**Sichuan's Minorities Reportedly Improving Economy**  
**OW2605105292 Beijing XINHUA in English**  
**0953 GMT 26 May 92**

[Text] Chengdu, May 26 (XINHUA)—The economies of the areas inhabited by ethnic minorities in southwestern China's Sichuan Province have been improving rapidly over the past decade.

Zhang Haoruo, the provincial governor, told a work meeting here on minority nationalities that the lives of the ethnic people have improved correspondingly.

Sichuan is China's most populous province and has 14 minority nationalities with a total population of 8 millions. There are three autonomous prefectures and eight autonomous counties covering 313,000 sq km, about 54.9 percent of the province's total area.

Statistics show that in 1991 the total output value of the GNP of these autonomous regions reached some 7 billions, the total output value of industrial and agricultural production reached 8.98 billion yuan, grain production reached 3.06 million tons and the livestock population reached 18.22 million head.

The participants in the meeting attributed the progress to the national policy of reform and opening to the outside world.

From 1984 to 1990 some 1,180 economic co-operation projects were set up in these areas with the introduction of 920 million yuan from outside the province.

Zhang said that the economies in ethnic-minority areas have benefitted from preferential policies, and input of funds and materials from the state and the province.

**Tibet Commentary Proposes Self-Reliance in Reform**  
**OW2605235092 Lhasa Tibet Television Network**  
**in Mandarin 1200 GMT 26 May 92**

[Station commentary: "We Must Not Wait, Rely on Others, or Ask Others for Help During the Course of Reform"; from the "Tibet News" program]

[Text] In the upsurge of reform and opening to the outside world, why do some localities and departments fail to even get started? One reason that cannot be overlooked is that their hands and feet are bound by a mentality of waiting, relying on others, and asking others for help. We often see that some comrades do not take the initiative in doing things even though they know clearly that those things are conducive to economic development. Why do they fail to take the initiative? They are waiting for orders from above so that they may request funding. Some comrades, particularly cadres, always complain that the investment made in economic construction by the state and the local government is too small. While they do not rely on themselves, they keep saying that it is difficult to do things because of a lack of funds. With such a mindset, how can they take great strides in reform and opening to the outside world and accelerate economic construction?

There is nothing wrong with expecting more support from the state and the local government. State support is indispensable, particularly to underdeveloped regions like our own. The question is this: Should we persistently rely on the state and the government, or should we give play to our subjective initiative and enhance our self-development capacity with the assistance of the state and the government? The answer to this question is very clear and definite. Evidently, it is out of the question for us to rely on more funding from the state and the local government to overcome all our difficulties. Therefore, what should we do? There is only one thing to do: work hard in self-reliance and give full play to our subjective initiative.

Practice has proven that all things have a great inner strength serving as a motivating force for development. External causes become operative only through internal causes. If we do not do away with the mentality of waiting, relying on others, and asking others for help, we will always turn to higher levels for help and fail to fulfill our own potential and strength during the course of reform and opening to the outside world. In turn, we will experience the strange phenomenon of starving the cattle to death while having sufficient fodder in hand. If we do not do away with the mentality of waiting, relying on others, and asking others for help, we will be unable to achieve good results, no matter how great the state and government funds are. Is it not a good example that some localities and departments wasted a great deal of money on the Yaluzangbu Jiang in the past?

When reviewing the more than 10 years of reform and opening to the outside world, we can clearly see that the

reforms are always successful in those localities, departments, and organizations that have an emancipated mind and display a spirit of self-reliance and arduous struggle. Conversely, the reforms always lack vitality in the localities that have not emancipated their minds and persist in waiting, depending on others, and asking others for help. Is this fact not worth pondering by us, and particularly by the leading cadres? Ways and means are devised by people through exploration. The task of reform and opening to the outside world is not an easy one, and it faces many, many difficulties, including shortages of funds. It is necessary for us to explore new ways of doing things. For this reason, we would like to shout at the top of our voice: We must not wait, rely on others, and ask others for help during the course of reform, and we should forge ahead in self-reliance.

#### Official on Tibet Environmental Protection Efforts

OW2805071392 Beijing XINHUA in English  
0652 GMT 28 May 92

[Text] Lhasa, May 28 (XINHUA)—The Tibet Autonomous Region has made great achievements in environmental protection while developing its economy since the 1970s.

According to Cheng Xianshun, director of the environment protection bureau for urban and rural construction in the autonomous region, there has been no incident of environmental pollution, nor any acid rain found in Tibet as the natural environment in the autonomous region has been well protected on the whole.

However, Cheng stressed, "though Tibet now still has the bluest sky and cleanest water in the world, we should not be smug but must pay full attention to all environmental problems which crop up during economic development and do our best to protect the environment from pollution."

In order to strengthen environmental protection work, the autonomous region established a committee for environmental protection in 1975, and a regional environmental protection committee headed by Gyaincain Norbu, chairman of the autonomous region, in 1990.

Cheng said that Tibet has established a complete management system for environmental protection, trained a large number of professionals in environmental monitoring and speeded up the formulation of local regulations in this regard.

Up to now, the autonomous region has worked out more than 20 legal stipulations on wildlife protection.

The regional departments have also carried out a series of scientific investigations into fields such as industrial pollution sources and levels of natural radiation.

With economic development, Tibet has increased its investment in environmental protection. Its annual investment in wildlife protection has reached 500,000

yuan, while nearly 500 people are specially engaged in the management of wildlife protection.

Because of its geographic location, the ecology of Tibet is extremely vulnerable. In recent years natural disasters and overgrazing have caused serious degeneration of grassland there.

Cheng said that Tibet will attach special importance to the protection of the natural and urban environments in the 1990s.

In addition to its seven nature reserves and a national-level scenic spot, Tibet plans to establish five nature reserves mainly to protect wildlife and plants, expecting to expand the total area of nature reserves to 325,200 sq km, about 30 percent of the total area of the autonomous region.

Referring to the protection of the urban environment, Cheng said, "we should continue to green the cities and towns by planting trees, improve the drainage systems and control noise and pollution sources."

In a bid to prevent the natural environment from damage due to economic development, the regional government has started environmental appraisal of all its major construction projects.

#### Northeast Region

#### Heilongjiang Villages Active in Foreign Trade

OW2705103192 Beijing XINHUA in English  
1011 GMT 27 May 92

[Text] Harbin, May 27 (XINHUA)—In the past few months, villages in Heihe City, Heilongjiang Province, which neighbors Russia across the Heilongjiang River, have been playing an active role in conducting border trade with residents on the other bank.

In the first quarter of this year, this kind of border trade has involved over 20 kinds of goods worth 5.7 million Swiss francs, according to official statistics.

The city has five towns and 28 villages which face across the river with many Russian enterprises and farms.

Since late last year, the city has encouraged local villages to take advantage of local light industry products and labor resources to trade with Russian firms and villages.

Chinese villages mainly export food and light industry goods and buy heavy industry products from the Russians. In addition, some agreements have been signed to send Chinese laborers to grow grain and vegetables on Russian farms.

**Polymer Project of Daqing Oil Field Begins**  
**SK2705121792 Harbin HEILONGJIANG RIBAO**  
*in Chinese 1 May 92 p 1*

[By reporter Being Yingnian (6728 6601 1628) and Yang Xin (2799 2946): "Construction of Daqing Oil Field Polymer Project Begins"]

[Text] Construction of the Daqing oil field polymer project began on 20 April. The Harbin office of the Bank of China will issue loans to the Daqing Petroleum Administrative Bureau to buy facilities for the polymer project, and the agreement was signed in Harbin today.

The polymer project includes 12 sets of large production installations with a total investment of 2.1 billion yuan in renminbi. Of this, the \$140 million in foreign exchange for buying foreign advanced technology and equipment such as the acrylonitrile key facilities, acrylamide monomer, and polyacrylamide will be loaned by the Harbin office of the Bank of China. It is expected that this project will be completed and commissioned in June 1996. At that time, this project will produce an annual output of 50,000 tons of polyacrylamide (polymer). In addition, it will also produce gasoline, diesel oil, liquefied gas, and other oil products and chemical raw materials including acetonitrile, ammonium sulfate, acetone cyanhydrin, benzene, methylbenzene, and xylene. It is expected that their annual sales income will reach more than 1.5 billion yuan, and their annual profits and taxes will be more than 560 million yuan.

Daqing oil field has maintained stable yield for 16 years by adopting the flush production and mechanical production methods since its crude oil output exceeded 50 million tons in 1976. During recent years, crude oil production has become more difficult because of the yearly increase in the moisture content of crude oil production. To guarantee that the oil field will continue to provide a stable yield and to increase output, Daqing oil field has conducted scientific experiments for many years and proved that it is possible for us to raise the crude oil production rate, increase a certain amount of workable reserves and extend the service life of the high and stable yield of the oil field, and lay a foundation for its comprehensive development by adopting the method of petroleum third recovery through injecting the polymer of polyacrylamide into the oil field.

Wu Pengfei, president of the Harbin office of the Bank of China; Zhou Jiajun, deputy chief of the Daqing Petroleum Administrative Bureau; and Li Changlin, chief accountant of the China Petroleum and Natural Gas Company, who served as the guarantor, signed the agreements.

Vice Governor Chen Yunlin; Zhang Yongyi, deputy chief manager of the China Petroleum and Natural Gas Company; and leaders of the provincial departments concerned and of the head office of the Bank of China attended the signing ceremony.

**Changchun Development Zone Speeds Up Construction**  
**SK2805032292 Changchun JILIN RIBAO in Chinese**  
*30 Apr 92 p 1*

[By reporter Xiao Ying (5135 3841): "Changchun Accelerates the Construction of High and New-Tech Development Zone"]

[Text] The Changchun High and New-Tech Development Zone enters a new development period with the arrival of Spring. On 28 April, the assembly hall of the provincial guesthouse was decorated with flowers and filled with a spring-like atmosphere. Changchun city held a meeting here to mobilize forces to speed up the construction of the Changchun High and New-Tech Development Zone.

At the meeting, on behalf of the State Council, the State Commission for Science and Technology issued to the development zone a bronze board inscribed with the words "The State High and New-Tech Industrial Development Zone."

Since 1988, when the provincial government formally approved the establishment of the Changchun High and New-Tech Industrial Development Zone, the development zone has done a lot of basic work. A street of science and technology was established. This helped transfer nearly 900 scientific and technological findings and various technological service items to the units in and outside the province and completed 16 industrialized production projects. All this has preliminarily brought into play the high additional value and stronger influential power of high and new-tech industries.

In March of last year, the State Council formally defined this zone as the state high and new-tech industrial development zone. Then, the construction of the development zone entered an essential stage. The first-phase central development projects have comprehensively started construction. The construction of Changchun Scientific and Technical Pioneering Center is in full swing. A total of 108 high and new-tech enterprises will be established. These enterprises possess 416 high and new technologies. Of these high and new technologies, 167 are in the stage of research and development, 220 scientific research findings will be transformed into commodities, and 29 have been turned into industrialized production. All this has laid a solid foundation for building and developing the development zone.

Feng Ximing, Standing Committee member of the provincial party committee and secretary of the Changchun city party committee, made a mobilization speech at the meeting.

Wang Yunkun, vice governor of the provincial government, set forth five opinions on the construction of the development zone. He said: To speed up the construction of the Changchun High and New-Tech Development Zone, we should attend to the work in five aspects. First, we should attend to propaganda and have the

people upgrade their understanding. Second, we should attend to the implementation of policies. The eight policies of the province were formulated according to actual provincial conditions. The development zone is allowed to formulate new relevant policies according to its actual conditions. Third, there must be a group of skilled persons. The structure of skilled persons in the development zone should be reasonable. There should be a method for gathering skilled persons. Fourth, there must be abundant funds. We should make money on the spot, collect funds from society, and speed up the turnover of capital. Fifth, the development zone should establish, in a step-by-step manner, financial centers, trade centers, and technological development centers.

Leaders, including Chen Zhenkang and Feng Xirui, attended the meeting.

### Quan Shuren Speaks at Liaoning CPC Session

SK2805095992 Shenyang LIAONING RIBAO  
in Chinese 30 Apr 92 pp 1, 4

[Text] The Sixth Plenary Session of the Seventh Liaoning Provincial CPC Committee was held in Shenyang 27-29 April. The session called on all the party members, cadres, and ordinary people throughout the province to further enhance the sense of opening up and firmly seize the current favorable opportunity to continuously clear away the "leftist" influence with the guidance of the party's basic line; further emancipate their mind; broaden their field of thought; have the courage to bring forth new ideas and engage in practice; quicken the step in deepening reform and opening wider to the outside world; and create a new situation in reform, opening up, and economic construction.

Attending the session were members and alternate members of the provincial party committee, members of the provincial advisory commission, and members of the provincial discipline inspection commission. Also attending were secretaries of city party committees; leading comrades with party membership of the provincial people's congress, government, and committee of the Chinese People's Political Consultative Conference; members of the consulting central group of the provincial party committee for economic and social development strategy; and responsible comrades of the organs directly under the provincial party committee and government and the central organs stationed in Shenyang, totaling 247 persons.

Through discussions, the session approved the provincial party committee's "decision on opening wider to the outside world" and "decision on holding the Liaoning Provincial CPC Conference of party delegates" and a namelist of the persons to be selected as candidates for the province's delegates to the 14th party congress. In line with the actual conditions of the province, the participating comrades further studied and discussed ways to implement Comrade Deng Xiaoping's important talks and the guidelines of the plenary session of the party Central Committee Political Bureau.

At the beginning of the session, Comrade Sun Qi, deputy secretary of the provincial party committee, chaired the session, and Quan Shuren, secretary of the provincial party committee, gave a speech.

Comrade Quan Shuren said in his speech: At present, the efforts to study and implement Comrade Deng Xiaoping's important talks and the guidelines of the plenary session of the party Central Committee Political Bureau, to accelerate reform and opening up, and to concentrate energy on economic construction have become the center of the public opinion of the province and the keynote for unifying people's thinking and work. After studying Comrade Xiaoping's important talks and the guidelines of the plenary session of the party Central Committee Political Bureau, the vast number of party members, cadres, and ordinary people have been profoundly educated and greatly encouraged. They have uplifted their spirit and created an upsurge in reform and opening up. Through the study, people have again emancipated their mind to a new level, clarified many confusions about theory and practice, eliminated the numerous shackles on their mind, and overcome many one-sided ideas. The study has greatly improved people's understanding of the theory of building socialism with Chinese characteristics, and it represents an in-depth study of Marxist materialist dialectics. Through the study, people have achieved a clearer understanding of the criteria for judging the right and wrong concerning reform and opening up and resolved their puzzle about whether their move is "capitalist" or "socialist." They have become bolder to consider issues and perform work in line with the requirement for doing anything that helps develop productive forces, increase the overall national strength, and improve people's living standard. They have come to understand clearly that they should both be vigilant against the right and guard against the "left" and that the "left" is the major obstacle to development. They have achieved a deeper understanding of the danger of the "left." Our province had misunderstandings about these issues in the past, which prevented some cadres from emancipating their mind and from blazing new trails, conducting experiments, and taking risks bravely. Resolutions to these issues will no doubt play a tremendous role in accelerating Liaoning's reform and opening up.

Further emancipating the mind is the key to accelerating reform, opening up, and economic construction and also the general switch controlling the performance of all work. Building socialism with Chinese characteristics is an unprecedented undertaking, which requires our experiments and explorations. Therefore, we should emancipate our mind. As Liaoning has been influenced rather deeply by the systems of the highly centralized planned economy and the product economy, it is particularly important for it to emancipate the mind.

After reviewing Liaoning's course of reform and opening up in the past decade and more, Comrade Quan Shuren said: Emancipating the mind is not plain sailing, still less an endeavor that can be accomplished once and for all.

In the process of reform and opening up in the past decade and more, we experienced both a period of vigorous thinking and one of conservative and stagnant thinking and both the practice of brave explorations and hesitation and even relapse. Such problems have yet to be further solved. What are the obstacles to cadres' effort to emancipate the mind? After summarizing the experiences and lessons of the past decade and more, we think that we had the following major problems.

First, the idea of taking economic construction as the central task did not take root deeply in our minds and, therefore, we wavered when implementing policies. This affected the implementation of the basic line and often caused the problem of "taking action quickly but also quitting quickly" in reform and opening up. Some departments and units failed to straighten out the relationship of the work focuses of a certain period or a certain field or a specific task to the central task of economic construction, separated the work of the departments or local interests from the central task or even placed them above the central task and the overall interests, and used the authority of the departments to influence and interfere in the central task, thus becoming an "intermediate obstacle."

Second, we lacked clear criteria for judging right and wrong due to the influence of the habitual thinking that the "left" is better than the right. Liaoning experienced both the influence from the right and the influence from the "left," which was the major one. The reason we often adopted the wait-and-see attitude when conducting reform and opening up was that we were afraid we might have taken the capitalist road. When the "leftist" influence on some issues concerning right and wrong is not thoroughly eliminated, we will be unable to emancipate our minds and take a greater step in reform and opening up. In the past, we failed to touch on these outdated ideas, did not have an adequate understanding that emancipating the mind was a dynamic process, and lacked initiative in continuously clearing away the "leftist" influence when conducting reform and opening up.

Third, the way of considering things in line with whatever books or higher authorities said and not with reality made us fail to adhere unswervingly to the ideological line of seeking truth from facts. This was an important reason why we lacked courage in blazing new trails, conducting experiments, and taking risks and why we lacked a creative spirit. In our minds, there were both the shackles resulting from our wondering whether our moves would be dubbed as "socialist" or "capitalist" and the mischief of the long-standing concept of the product economy and the concept of departmental authority. This is a problem we should particularly solve if we are to emancipate the mind.

Fourth, we lacked adequate understanding of the law that reform and opening up constitute a revolution and a process of exploration and pioneering and that some problems and even errors arising in practice are unavoidable. We often laid too much emphasis on the mistakes

arising in the reform and opening up of some cadres who had the courage to blaze new trails and conduct experiments and did not do enough work to help them summarize experiences and lessons and share the responsibilities for them. When contradictions and difficulties emerged in reform and opening up, we failed to provide timely help to resolve them. This was also the reason why cadres had misgivings, did not know what to do, and lacked courage in reform and opening up.

Comrade Quan Shuren emphasized: Emancipating the mind is not an empty slogan, nor a task that can be accomplished merely by paying lip service to it. The essential meaning of emancipating the mind is having the ability to use the Marxist stand, viewpoints, and methods to correctly observe things so as to continuously improve the ability to understand the objective world. Our efforts to emancipate the mind should be linked to reality and reflected in our deeds. We should let the achievements in emancipating the mind be embodied in the practice of reform and opening up and accelerate reform, opening up, and economic development. The call of the provincial party committee for "having more courage, relaxing policies, and taking greater steps" is an integrated whole. "Having more courage" is the premise, "relaxing policies" is the key, and "taking greater steps" is the purpose. Having more courage means to emancipate the mind and to have the spirit of blazing new trails, conducting experiments, and taking risks. Based on the reality of our province, what are the issues concerning further emancipating the mind and having the courage to think, experiment, and be the first to take action? First, we should have the courage to blaze new trails and conduct experiments concerning the endeavors to deepen reform, to transform the operating mechanism of state enterprises, and to bravely assimilate and learn from the advanced business and managerial measures of all the countries in the present-day world, including capitalist developed countries, that conform to the law governing modern and socialized large-scale production, and we should take a great step in invigorating large and medium-sized state enterprises and pushing enterprises to the market. Second, we should have the courage to blaze new trails and conduct experiments concerning the endeavors to open wider to the outside world; to raise the level of opening up; and to build development zones, bonded zones, science and technology parks, small experimental zones, and processing zones, and we should take a great step in disseminating and applying the experiences and policies that have proven successful in the experiments of advanced localities. Third, we should have the courage to blaze new trails and conduct experiments concerning the endeavors to introduce foreign capital, advanced technology, and trained personnel; to transform old enterprises; and to make the enterprises transformed with foreign capital and advanced technology and the three types of foreign-funded enterprises successful, and we should take a great step in accelerating technical transformation. Fourth, we should have the courage to blaze new trails and conduct experiments concerning the endeavors to increase the

portion of the market regulation and to change Liaoning's system of the planned economy, which accounts for too large a proportion, which is applied to too many fields, and which exercises overly rigid control, and its system of market regulation, which accounts for too small a proportion, which is applied to too few fields, and which is weak, and we should take a great step in adjusting the structure, relaxing the control over management, enlivening commodity circulation, and greatly developing the tertiary industry. Fifth, we should have the courage to blaze new trails and conduct experiments concerning the endeavors to open up the domestic and the world markets and to eliminate the barriers between different localities and different trades, and we should take a great step in developing trans-trade and trans-regional enterprise groups and trans-national companies. Sixth, we should have the courage to blaze new trails and conduct experiments concerning the endeavors to persistently take science and technology as the primary productive forces and to relax the policies on science and technology and on trained personnel, and we should take a great step in developing high and new technology and facilitating the transformation of scientific and technological achievements into productive forces. These are the important criteria for judging the extent of our emancipation of the mind. The purpose for us to further emancipate the mind is to accelerate reform and opening up and raise Liaoning's economy to a new stage as soon as possible. We should further implement the strategic principle of "attending to one aspect of work to promote three aspects"; pay attention to the "four key areas, one leading factor, and one important link"; and gradually effect four changes in the province's economic work: 1) from the past highly centralized unitary planned economy to a system combining planning with the market regulation, 2) from a closed economy to an open economy, 3) from traditional industries to the industries adopting modern science and technology and managerial expertise, and 4) from extensive management to intensive management. We should strive to attain the strategic objective of quadrupling the province's GNP and raising people's life to a fairly comfortable standard ahead of schedule and turn Liaoning into a developed province with a prosperous economy, advanced science and technology, affluence in people's life, and civility in society.

Comrade Quan Shuren said: The current most important job is to exert earnest efforts to perform work in line with such ideas so as to make new headway in all fields of work. We should expand the scope and raise the level of opening to the outside world. Accelerating reform and opening up is the only way to revitalize Liaoning's economy. Only when we seize the opportunity to open wider to the outside world and push large and medium-sized enterprises to the domestic and the world markets can we expedite the technical transformation of old enterprises, facilitate the adjustment of the industrial structure and product mix, and learn from all the achievements in the civilizations created by human societies to accelerate Liaoning's modernization program. We must enhance the sense of urgency in opening

to the outside world, regard the opening of Liaodong peninsula as an important task to promote the entire work, and carry it out conscientiously until good results are achieved. The basic principle for the next step of opening to the outside world is, making the best use of our advantage of having many windows opened to the outside world in coastal and border areas, many large and medium-sized cities, many large and medium-sized enterprises, and a vast hinterland, to further expand the scope and raise the level of opening up and, based on the already established structure of opening up, open to the outside world in all directions step by step in the four regions. The general goal, based on the Northeast Asia region and keeping the whole world in view, is to open Liaoning to the areas in and outside the country and the areas in and outside the province and build it into a modern, export-oriented, and multipurpose prosperous province in north China and a province occupying an important position in Northeast Asia.

To attain the aforementioned goal, Dalian should give prominence to its role as a vanguard in opening up, take a greater step and raise the level of opening up, and fully develop its role as a window, bridge, and vanguard. Meanwhile, we should accelerate the opening of Yingkou, Dandong, Jinzhou, Panjin, Jinxi, and other port cities. We should give prominence to the function of opening up of the group of cities in central Liaoning with Shenyang as the center and fully develop their advantage in absorbing foreign capital, technology, and trained personnel to accelerate the technical transformation of the old industrial base. We should give prominence to the work of transforming the operating mechanism of large and medium-sized state enterprises, accelerate their technical transformation, and push them to the world market. While expediting the opening of Liaodong peninsula to the outside world, we should promote the opening of east, west, and north Liaoning; make the best use of their abundant resources and great potential for development, which are their advantage; give them necessary special policies; establish development experimental zones in these areas; and use the funds, technology, and trained personnel from in and outside the province and from in and outside the country to accelerate their development and construction.

Comrade Quan Shuren said: We should extend the degree and quicken the pace of reform and, in particular, successfully transform the operating mechanism of enterprises to truly invigorate large and medium-sized enterprises. We should achieve scientific and technological advance more quickly, relax the policies concerning science and technology and personnel, and greatly develop the primary productive forces. We should enliven the market, actively develop the tertiary industry, and truly turn commodity circulation into a new growing point of economic development. We should use reform and opening up to promote the current economic work and, in particular, conscientiously help enterprises reduce deficits, greatly develop township enterprises, and strive to improve economic efficiency.

In conclusion, Comrade Quan Shuren emphasized: We must adhere to the principle of attending to two fields of work simultaneously. We must never slacken efforts in building the socialist spiritual civilization while making reform, opening up, and economic work successful and must carry out these two fields of work conscientiously.

The joint meeting held on the afternoon of 29 April was chaired by Comrade Yue Qifeng, deputy secretary of the provincial party committee and provincial governor. At the end of the session, Comrade Yue Qifeng spoke on how to further study and implement Comrade Deng Xiaoping's important talks in line with the province's current economic work.

### Northwest Region

#### Activities of Qinghai's Yin Kesheng Reported

##### Attends Meeting on Resources

HK2805035392 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 14 May 92

[Excerpts] The four-day provincial meeting on exploitation of local resources ended in Xining on 14 May. [passage omitted]

Provincial party committee Secretary Yin Kesheng presided over the meeting. Deputy Secretary Tian Chengping gave a speech.

Tian Chengping said: To step up exploitation of local resources, we must, first of all, raise our ideological level, seek unity of thinking, brace our spirits, and boost our confidence. It is necessary to apply the spirit of Comrade Deng Xiaoping's speeches to Qinghai's actual conditions to create a formula for Qinghai's reform and opening up, which is consistent with our actual conditions. [passage indistinct] We can only develop Qinghai's economy in line with actual local conditions, by stepping up exploitation of local resources, by closely combining reform and opening up with exploitation of local resources, and by promoting exploitation of local resources through opening up to the outside world.

All localities should display greater determination and confidence in shaking off poverty through exploitation of local resources.

Tian Chengping called on all autonomous prefectures, prefectures and cities across the province to formulate related programs and plans without delay, defining key areas and key projects, and ensuring the programs and plans will be put into effect. Leadership organs and specialized departments at all levels must further free themselves from outdated ideas, work to provide better service for the exploitation of natural resources, and make concerted efforts [words indistinct].

##### Inspects Aluminium Plant

HK2605073292 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 16 May 92

[Excerpts] Provincial party committee Secretary Yin Kesheng recently inspected the Qinghai Aluminium Plant.

During his inspection, Yin Kesheng expressed his views on a number of issues, including deepening enterprise reform, building key state-run enterprises, and realizing a coordinated local economic development. [passage omitted]

Yin Kesheng stated: Deepening enterprise reform and changing the enterprise operative mechanism are of vital importance to the broad masses of enterprise staff and workers. The working class is at once the executor and the principal force of reform and opening up. In the course of reform, we should persistently follow a line of from the masses and to the masses, show concern for and rely on the masses, and respect the democratic rights of the masses. Before implementing reform programs bearing on the immediate interests of the masses, we should first and foremost give heed to and solicit the opinions of the broad masses of staff and workers with an eye to bringing their enthusiasm in participating in and supporting the reforms concerned into full play and guiding them to take enterprises as their homes and act as real masters of their enterprises.

Speaking of the interrelation between building key state-run enterprises and local economic development, Yin Kesheng noted: All key state-run enterprises should play radiating, disseminating, and guiding roles to push ahead with local economic development. The leaders of various key state-run enterprises should regard it as their unshirkable duty to help local people eradicate poverty and achieve prosperity and promote local industrial development. They should endeavor to do realistic work for local people in various ways, help local areas develop backbone industries, give full scope to local superiorities in capital and technology, assist local areas in building township and town enterprises, and help surplus labor set up new business operations to develop a tertiary industry. On the other hand, Yin added, local governments at various levels should also take into account overall development, offer unreserved assistance to building key state-run enterprises by mobilizing whatever forces are available, and provide quality services to building key state-run enterprises.

During his inspection, Yin Kesheng also advanced specific requirements on party building work within various enterprises.

##### Addresses 'Democratic' Party Congress

HK280505192 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 20 May 92

[Text] The Second Congress of the Qinghai Branch of the Chinese Peasants' and Workers' Democratic Party [CPWDP] was inaugurated in Xining yesterday morning.

A total of 58 deputies, most of whom are professionals in Qinghai's medical and health circles as well as cultural and art circles, were scheduled to listen to and deliberate on a work report for submission to the congress by the first provincial CPWDP committee; to elect the second provincial CPWDP committee; and to elect the Qinghai deputies to the forthcoming 11th National CPWDP Congress.

Yin Kesheng, secretary of the Qinghai Provincial CPC Committee; Jin Jipeng, deputy secretary of the Qinghai Provincial CPC Committee and governor of Qinghai Province; Doba, member of the Qinghai Provincial CPC Committee Standing Committee; Xie Gaofeng, vice chairman of the Qinghai Provincial People's Congress Standing Committee; and Liao Aiting and Wang Fuxiang, vice chairmen of the Qinghai Provincial Chinese People's Political Consultative Conference Committee, as well as persons in charge of the provincial branches of various democratic parties and persons in charge of the provincial party committee united front work department and the provincial public health department, attended and extended congratulations to the congress.

Tian Guangtao, vice chairman of the CPWDP Central Committee, and Jiang Chunzhong, deputy director of the CPWDP Central Committee Organization Department, also came to Xining especially to attend the congress.

Provincial CPC committee Secretary Yin Kesheng delivered a speech at the opening ceremony in which he said: Over the past six years since the establishment of the Qinghai Provincial CPWDP Committee, all Qinghai-based CPWDP members have conscientiously implemented the party's basic line; actively participated in consultations and discussion on major national and local policy decisions and issues; ardently thrown themselves into the great cause of reform, opening up, and building Qinghai; and have made positive contributions. On behalf of the Qinghai Provincial CPC Committee, Yin Kesheng extended sincere thanks to all congressional deputies and all Qinghai-based CPWDP members. He noted: The system of multiparty cooperation and political consultation under CPC leadership is one of China's basic political systems. We will continually implement a principle of long-term coexistence, mutual supervision, showing utter devotion to each other, and sharing both honor and disgrace with other democratic parties.

Yin Kesheng expressed the hope that the provincial CPWDP committee will continue to put forth frank and sincere views and proposals with regard to the work of the provincial party committee and government, tell all it knows without reserve, help the provincial party committee and provincial government improve their work, raise decisionmaking standards, and make their decisionmaking processes more democratic and more scientific. Yin Kesheng said: Let us unite together, join hands, and make a concerted effort to push ahead with Qinghai's development.

Zhang Zhurong, provincial CPWDP committee chairman, delivered an opening speech.

Tian Guangtao, vice chairman of the CPWDP Central Committee, also delivered a speech at the opening ceremony.

#### Speaks at Commemoration Forum

HK2805071192 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 20 May 92

[Excerpts] Yesterday, the provincial party committee propaganda department, the provincial culture department, the provincial radio and television department, and the provincial association of writers and artists jointly held a forum to commemorate the 50th anniversary of the publication of a speech the late Comrade Mao Zedong delivered at the Yanan Forum on Literature and Art. [passage omitted]

Provincial party committee Secretary Yin Kesheng attended and delivered a speech at the forum.

Yin Kesheng said: Over the past half a century, the speech has illuminated the road along which China's revolutionary literary and art cause has evolved and has fostered one generation of revolutionary writers and artists after another. Under the guidance of the spirit of the late Comrade Mao Zedong's speech, Qinghai's literary and art cause has also flourished. In particular, since the Third Plenary Session of the 11th CPC Central Committee, the broad masses of literary and art workers across the province have displayed growing enthusiasm in their creative activities and thereby opened up wider vistas for Qinghai's literary and art prosperity. Both the old generation of writers and artists and the rising stars in Qinghai's literary and art circles have made outstanding contributions to Qinghai's literary and art cause.

Yin Kesheng noted: Now the whole party and the people of the whole country are studying and implementing in an in-depth manner a series of important speeches Comrade Deng Xiaoping made not long ago. The comrades in the literary and art circles must now take studying Comrade Deng Xiaoping's important speeches and boosting literary and art prosperity as a priority task. [passage omitted]

Yin Kesheng called on the broad masses of literary and art workers across the province to consciously strike root in Qinghai, make redoubled efforts to explore and carry forward Qinghai's excellent ethnic and traditional cultural fruits, and warmly eulogize heroic people and heroic deeds emerging in the course of Qinghai's development and construction to encourage and educate more people to endeavor to contribute to Qinghai's cause.

Comrades in charge of the provincial party committee propaganda department, the provincial culture department, the provincial radio and television department, and the provincial association of writers and artists also attended the forum.

**Xian Plant Stops Work After Manager's Dismissal**

OW2305040192 Beijing XINHUA Domestic Service  
in Chinese 2122 GMT 22 May 92

[By correspondent Qi Shuhua (7871 2885 5478)]

[Text] Xian, 23 May (XINHUA)—The sudden and arbitrary dismissal of plant director Wu Xuan, who was named by the Ministry of Machine-Building and Electronics Industry as an outstanding plant director, has created great repercussions in Xian. Cheng Andong, secretary of the Xian CPC Committee, contended that the occurrence of such a serious matter merits attention because it happened after the dissemination and implementation of Comrade Deng Xiaoping's important speech, and he called on relevant departments to carry out a vigorous investigation into the matter.

Wu Xuan was the director of the Xian Specialized Cable Plant, one of the key enterprises designated by the Ministry of Machine-Building and Electronics Industry. Wu Xuan was appointed director of this plant seven years ago. Beginning by selling deep-fried twisted dough sticks, he and the staff members and workers gradually developed the plant into an advanced enterprise that produces an annual output valued at more than 6 million yuan and earns 1.1 million yuan in profits and taxes for the state. The Ministry of Machine-Building and Electronics Industry conferred the title of outstanding plant director on him in February. The Specialized Cable Plant, affiliated with the No. 2 Xian Standard Parts Plant under the Labor Service Company, was also designated as one of Xian's pilot units to practice a shareholding system.

However, the plant's efforts to deepen enterprise reform and to quicken development encountered man-made barriers. On 2 May, Wu Xuan submitted an application for rules on practicing a shareholding system, which were adopted by all the members of the plant, to Li Diping, plant director of the No. 2 Standard Parts Plant. On the morning of 3 May, while Wu Xuan was assembling all of his staff to arrange production and mobilize them to practice the shareholding system, Li Diping suddenly appeared at the scene. In front of all the staff members

and workers, Li Diping announced Wu Xuan's dismissal as plant director and ordered him to leave the Specialized Cable Plant by 1600 the same day. The decision caused great dissatisfaction among the staff members and workers of the cable plant. The production at the plant came to a stop following the decision.

The decision elicited concerns from the leaders of the Xian Employment Service Bureau and the municipal Metallurgy, Machine-Building, and Electronics Industry Bureau. They immediately formed investigation teams to conduct an inquiry. They also pointed out that Li Diping's act violated the relevant regulations of the State Council, which stipulate "it is forbidden to arbitrarily replace or transfer a manager or director of an enterprise during his tenure without valid reasons." They said Wu Xuan should be reinstated. Because of the intervention of superior departments, Li Diping publicly restored Wu Xuan's honor and revoked the decision on Wu Xuan's dismissal at a staff meeting at the Specialized Cable Plant on the evening of 9 May. During the meeting, leaders of the Xian Metallurgy, Machine-Building, and Electronics Industry Bureau criticized Li Diping's erroneous act. The Specialized Cable Plant resumed normal production the following day. Because of the arbitrary dismissal of the plant director, the enterprise was forced to stop production for seven days, which caused economic losses of 210,000 yuan in output and 31,000 yuan in profits and taxes.

What prompted Li Diping to fire Wu Xuan? Li Diping claimed that Wu Xuan was too old and that he had failed to provide conveniences for the principal plant, the No. 2 Standard Parts Plant. What exactly were the "conveniences" Li Diping wanted from Wu Xuan? According to Wu Xuan, last November Li Diping invited guests to a banquet and he asked for Wu Xuan's signature to make that expense part of company expenses. Wu Xuan refused his request. During this year's Spring Festival, Li Diping was again not permitted to withdraw 10,000 yuan worth of cash from the cable plant without a receipt and without going through a proper procedure. To provide or not to provide such "conveniences," that indeed is a thought-provoking question.

**Journal Views Developing Relations With Taiwan**

*HK2805070792 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 20, 18 May 92 p 19*

[Article by Wei Daye (7614 1129 2814): "Reflections on Cross-Strait Relations in New Situation"]

[Text] Editor's Note: To promote deeper understanding between Taiwan and the Mainland, beginning this issue, this journal is initiating a special column, "Discussions on Cross-strait Relations," to link to the new situation surfacing in cross-strait relations and reflect various opinions and views in respect of promoting and developing cross-strait relations. [end editor's note]

Considerably great progress and improvement have really been made in cross-strait relations in recent years, with many breakthroughs in trade, investment in the mainland, and people's ties and exchanges. However, many problems remain, of which the principal one is that cross-strait ties have basically stuck at the initial phase of being "one-directional, indirect, and nongovernmental"; especially, there is no sign of reconciliation of the deadlock and confrontation at the political level in the absence of face-to-face communications and dialogues, while remaining at the stage of "shouting propaganda across the lines" and "each sticking to his own words." Although it is a long way from the past situation of "throwing angry words at each other across the sea" and "looking daggers at each other," such deadlock and confrontation at the political level will inevitably affect cross-strait economic, cultural, and academic exchanges and ties.

How to break the existing stalemate and push cross-strait relations forward on the existing basis to meet the needs of the development in the new situation, is an important question facing both sides. This author believes that, to make further progress in cross-strait relations, all related sides need to earnestly think over the following issues:

**1. Disputes over the political systems between Taiwan and the mainland.** The mainland implements the socialist system, whereas Taiwan implements the capitalist system. This took shape under China's peculiar modern and contemporary historical conditions. For a considerably long historical period, one cannot, and should not, replace the other. This being the case, what else can the Chinese on both sides of the strait do but to seek common ground while reserving differences, dissolve contradictions, tolerate each other, and cooperate in seeking development for the long-range and overall interests of the Chinese nation? That is the first point worth consideration.

**2. Disputes over the pattern of reunification between Taiwan and the mainland.** The mainland advocates that different social systems be implemented on the two shores of the strait under the principle of "one country, two systems" but Taiwan has rejected this. On the other hand, the Taiwan Government and public have put forward "one country, two governments" and scores of similar concepts which the mainland has likewise rejected. Thus, a deadlock has taken

shape and been sustained with each side insisting on their own pattern, greatly affecting the normal economic, cultural, academic, science and technological exchanges between the people on the two shores. However, regarding the speeches by leaders from Taiwan and the mainland, they seem to share lots of common ground in cross-strait relations: 1) Both sides have determined that there is only one China, which is the foremost prerequisite; 2) both sides have ascertained that China must be reunified by peaceful means, which is their common wish; and 3) both sides have asserted that they have no intention of swallowing up the other side, a most practical policy. Leaders of both Taiwan and the mainland have stated their opposition to "two Chinas," "one China, one Taiwan," and "Taiwan independence." This being the case, can they just avoid the wordings of various patterns and start to communicate and talk with each other, proceeding from the easy to the difficult, from specific matters to the terms for things? That is the second point worth consideration.

**3. Disputes over the methods of talks between Taiwan and the mainland.** The mainland advocates "party-to-party" talks, mainly with the party in office and the participation of other political parties and figures of representativeness in society, whereas the Taiwan authorities advocate "government-to-government" talks. In fact, as long as there is the sincerity for talks, it will not be difficult to resolve the matter of style. Some people said it is a question of time for talks. That is not true because the time for talks has long been ripe and there are lots of problems between Taiwan and the mainland awaiting solution. If one side insists on the other accepting its own conditions, and considers the time for talks is ripe only under such circumstances, there will not be any talks. It is precisely to seek common ground that we hold talks, to seek solutions to problems which both sides can accept. Talks themselves are a course of mutual communication, understanding, and compromise. No preconditions should be set nor should we hope for a settlement of all issues after one or two rounds of talks. What people find strange today is why talks can be conducted between different countries and between Chinese and foreigners, but the KMT and the CPC, the Chinese on the two shores of the strait, cannot sit down and hold "face-to-face" talks on cross-strait relations and the reunification of the motherland? That is the third point worth our consideration.

**4. The cross-strait "three communications, four exchanges [sī liú 0934 3177]" issue.** Since the Third Plenary Session of the 11th Central Committee in 1978, the mainland has constantly implemented the principle of reform and opening up. It has recently stressed the need to further accelerate the pace of reform and opening. Taiwan's current slogan is "reform, stability, and prosperity" but the "cāi zé for the mainland" among Taiwan compatriots, especially the industrial and commercial circles, has kept rising. Lots of patriotic Chinese are happy to see that "although politics has separated Taiwan from the mainland, the economy is bringing them together." Some Taiwan patriotic figures from industrial and commercial circles have strongly demanded that the authorities to "give up their ostrich

mindset" and "replace confrontation with cooperation." Unfortunately, however, there remain all sorts of artificial obstacles to the cross-strait "three communications, four exchanges." Both Taiwan and the mainland have generally two-directional and direct economic and trade relations and other ties with many countries and regions. Why should the Chinese on either shore of the strait, separated only by the sea, have kept their relations and ties at the "one-directional, indirect and nongovernmental" stage? That is the fourth point worth consideration.

**5. The conditions for a further "thaw" in cross-strait relations.** The Taiwan authorities have repeatedly insisted on the mainland making certain "good-intentioned responses" as the conditions for a further "thaw" in cross-strait relations. For example, they demand that the mainland "give up adherence to the four cardinal principles," "make a commitment not to resort to force against Taiwan," "acknowledge Taiwan to be a political body on an equal footing," "allow Taiwan to expand its space for its survival in the world," and so forth. Some top-echelon Taiwan figures reiterate these conditions whenever they can, even regarding them as grounds for rejecting cross-strait "three communications" or "direct transport." No wonder some friends in Taiwan have said that this was a "brilliant stroke" by the Taiwan authorities in dealing with the CPC, namely, deliberately setting out conditions which the CPC will never accept to achieve their aim of "refusing exchanges and reconciliation" while shifting the responsibility onto the CPC. That is really "killing two birds with one stone." How can this coincide with their much repeated stress on "one China" and "China must be reunified?" Should things go on like this, people cannot but wonder in what place do the KMT seniors in Taiwan put the interest of the entire Chinese nation and what will be the consequences? That is the fifth point worth consideration.

For the long-range and basic interests of the entire Chinese nation, the author believes there is no reason for Taiwan and the mainland to continue to confront each other. The authorities in Taiwan and the mainland, all political parties and organizations, and all patriotic Chinese people, should exert themselves to resolve the confrontation and contradictions between the two sides. This is helpful to everybody. With regard to Taiwan, only when the confrontation and contradiction between the two sides has been resolved will it be possible to eliminate the conditions for the rise and development of "Taiwan independence" and achieve prolonged political stability and long-term peace in society. Mr. Lee Teng-Hui has put it well: "It is very difficult to separate the Chinese with all their ties in flesh and blood; it is the destiny of the Chinese people to be eventually reunified. Any one who harbors the idea of separating the Chinese territory will certainly become a sinner who alienates himself from the people." Neither Taiwan nor the mainland should build the great cause of reunifying the motherland on a vague future, wishful thinking, and impractical illusions. Opportunity knocks only once and time and tide wait for no man. It is best to show respect to reality and history and to communicate and talk as early as possible, discussing the major plan for China and creating a new situation for the future of the Chinese people.

**Mainland, Taiwan Experts on Economic Cooperation**  
HK2705102992 Hong Kong *TA KUNG PAO* in Chinese  
22 May 92 p 2

[ "Newsletter From Beijing" by Ai Ming (5337 2494): "Experts From Two Sides of Strait on Economic Cooperation" ]

[Text] Beijing, 21 May (TA KUNG PAO)—In face of the currently changing new world order and the trend of economic regionalization, many people of insight, at home and abroad, have proposed in recent years to build up a Chinese economic circle which will involve Hong Kong, Macao, Taiwan, and mainland China, with a view to making the Chinese nation more prosperous and powerful. During the current Beijing symposium on review of economic and trade development and prospects for cooperation between the two shores of Taiwan Strait, how to further enhance mainland China's economic cooperation with Hong Kong and Taiwan has been brought up once again as a favorite topic among experts, scholars, and well-known personalities from the two shores of the Taiwan Strait.

#### Regional Cooperation a Must

Addressing the opening ceremony of the symposium, Wang Daohan, chairman of the Association for Relations Across the Taiwan Strait, said: Nowadays, as the world economy is facing new adjustment, the past practice that solely relies on a single region in international economic operation has become increasingly outmoded in the efforts to achieve success and development amid intense international competition, and regional economic cooperation is a natural trend of world economic development in the days to come. Compatriots on the China mainland and compatriots in Taiwan, Hong Kong, and Macao are all members of the Chinese nation. Geographically speaking, all these regions are mutually dependent; economically speaking, they complement each other and supply each other's needs. Hong Kong and Macao will separately become special administrative regions of China by the turn of the century, and Taiwan and the China mainland will after all be reunited. If the two sides can strengthen economic cooperation between them, learn from each other's strong points to offset each other's weaknesses, make progress side by side, thus promote further economic prosperity on both sides of the Strait and in Hong Kong and Macao, then the Chinese nation will substantially increase its economic competitive power in the future world economic structure.

Chao Yao-tung, former "minister of economy" of Taiwan and policy adviser to China Economics Research Institute, gave a lecture on a special topic during the symposium. He maintained that, as viewed from the general development trend of the world, whether the Chinese economy as a whole can continue to develop and enjoy sustained prosperity will crucially depend on how well the two shores of the strait can seize the opportunity in the developing world economy and the reconstruction of the international economic order, how well they can open up vast vistas in this regard, and how

they are going to learn from each other's strong points to offset each other's weaknesses, while they are marching toward the making of an economy characterized by large units and large structures and striving for superiority in international competition.

#### **Learning From Each Other's Strong Points and Working in Spirit of Mutual Benefit**

Chao Yao-tung suggested that the two sides of the strait gradually dispel hostility against each other and build up mutual trust. They may start from economic cooperation between basic productive units at lower levels, then gradually extend economic cooperation between Taiwan and the entire mainland, and finally join to form a united, prosperous, and powerful China.

Experts and scholars present at the symposium have reached through discussion a consensus on the mutually complementary roles of the mainland, Taiwan, and Hong Kong in the economic field. They hold that it is the differences and complementary functions in the economic field that lead to the increasingly close economic and trade relations between the three parties, it is exactly these that will serve as the basis for the three parties to push for economic association among them.

Fang Sheng, professor from the People's University of China, noted: Taiwan has achieved economic success, which is obvious to all, in the past 20 years or more since its economic takeoff. In the process of development, however, it has also encountered many difficulties, for example, Taiwan lacks natural resources, especially energy resources; the island's market is small and therefore it is very much dependent on the overseas market; investors had little intention of making investments; there was a shortage of labor force, while wages were increasing, costs rising, and land price soaring; and, as a result, labor-intensive industries lost their advantages they used to enjoy. Over the past 30 years, Hong Kong has developed into an important international industrial, commercial, and trade center, financial center, shipping center, and tourist center. At present, however, it is facing the trouble of resource and labor shortages and the drawback due to its weak industrial basis. The mainland has made enormous progress in its economic development over the past more than 10 years, but, for a period it will still go short of funds for construction, while its rich natural resources and labor force have yet to be fully tapped, its vast market has yet to be further explored, its backward economic management is still lagging far behind the needs of modernization, it is still inexperienced in foreign economic relations and trade, and it knows little about the development of international market and overseas marketing channels.

Fang Sheng said: Many Hong Kong and Taiwan businessmen have now come to run investment projects in

the mainland. The intrinsic motivation for investment lies in the mutually complementary nature in economic interests between the three sides, because of which investments are beneficial to all parties. Now it is necessary to study how the mainland, Hong Kong, and Taiwan can give full play to their own economic, technological, and marketing superiorities, so that all production elements can be integrated in an optimal way and a new economic community will take shape to join force to withstand the pressure and meet the challenge from the exterior.

#### **Removing Obstacles and Exploring New Frontiers**

Many scholars in their speeches responded cautiously to or had reserves on the construction of a Chinese economic community or any other similar bodies. The principal reason they cited is that the conditions are not yet ripe for the materialization of the idea.

Professor Gao Chang, deputy director of Taiwan's China Economic Research Institute, pointed out: For the time being, the greatest obstacle is the sense of political antagonism between the two shores of the strait. Forty years of separation has resulted in differences between the two sides in their political and economic systems and a certain degree of divergence between the two sides in their cultural value. For this reason, it is unrealistic to expect an early removal of all the existing obstacles. He expressed the hope that the two shores of the strait would smash ideological trammels as soon as possible, show respect for each other, and be tolerant toward each other to further expand economic exchange, trade, and cooperation between them.

Pu Dianming, director of Taiwan Research Institute of the Academy of Social Sciences of China, held that economic exchange, trade, and cooperation between the two shores of the Strait should be of an open nature. For the time being, economic cooperation and trade between the two shores should be conducted on a realistic basis, and it is not suitable to develop any "circle" or "community" lest it should arouse any misunderstanding and misgivings on the part of countries and areas concerned and give rise to unexpected conflicts or losses.

After three days of in-depth discussion, scholars from both sides of the strait unanimously agreed that it is necessary to dispel the cross-linked political and economic complex in the relations between the two shores as soon as possible. They suggested that the two sides start from promoting communication and exchange between them, and try to establish extensive and close economic cooperation between mainland China on the one hand and Taiwan, Hong Kong, and Macao on the other on the basis of mutual accommodation, mutual trust, and mutual benefit. At the same time, the two sides can set the establishment of a certain cooperation body as a goal, work step by step, and finally accomplish the motherland's reunification and economic integration.

**Restrictions on Cross-Straits Remittances Eased**

OW2705111592 Taipei CNA in English 0752 GMT  
27 May 92

[Text] Taipei, May 27 (CNA)—The Ministry of Finance has tentatively decided to ease restrictions on "indirect" remittances between the two sides of the Taiwan Strait, a ranking monetary official said Tuesday.

"We have worked out a package of proposals to allow freer cross-strait capital flow," noted Chen Mu-tsai, director of the Bureau of Monetary Affairs of the ministry.

According to the package, local companies will be allowed to indirectly remit money to Mainland China. At present, only individuals can remit to the mainland.

The newly proposed rules will also permit local banks to remit money to all mainland bank affiliates regardless of how many shares Peking holds in those affiliates, Chen explained. Presently, local banks can only deal with mainland bank subsidiaries in which Peking owns a less-than-50 percent stake.

Chen added that the ministry has also proposed to open "channels" for Taiwan investors to remit home what they have earned on the mainland.

Under present regulations, local banks are banned from handling indirect remittances from the mainland. As a result, many cross-strait investors are forced to keep their earnings abroad, Hong Kong in particular.

Chen said the current regulations will be revised to permit local banks to handle mainland-originated inbound remittances. The move will facilitate cross-strait money transfers and thus further boost bilateral commercial exchanges, he noted.

Chen stressed the proposed changes aim to meet the demand of ever-increasing cross-strait investors and traders. The measures will in no way conflict with the government's overall mainland policy, he added.

The Finance Ministry will consult with the Central Bank of China and the Ministry of Justice on the proposed relaxation of restrictions on cross-strait remittances in the next few weeks, Chen reported.

If all goes smoothly, Chen said, the new proposals will be included in a draft statute governing civilian relations between the two sides of the Taiwan Strait which is still pending legislative approval.

The central bank reported yesterday that Taiwan people have remitted more than \$100 million to the mainland since local banks and postal offices opened the service last August.

**Minister Urges Foreign Workers' Legal Employment**

OW2705111792 Taipei CNA in English 0757 GMT  
27 May 92

[Text] Taipei, May 27 (CNA)—More local industries should be allowed to legally employ foreign workers to resolve labor shortage problems here, Vice Economic Affairs Minister P. K. Chiang said Tuesday.

Labor shortages have discouraged private enterprises from making new investments or expanding their operations in Taiwan in recent years, Chiang noted.

In order to stimulate the private sector's investment willingness, Chiang said, labor authorities should allow local manufacturers to legally hire more alien workers.

The government currently allows 15 manufacturing professions to import 10,062 foreign workers, and the business sector has applied for importing about 7,000.

Chiang said he hopes the Council of Labor Affairs will soon formulate detailed regulations governing foreign workers in accordance with the newly promulgated employment law so that local companies can legally employ alien laborers.

Some 50,000 foreigners, mainly from southeast Asia, are believed to be illegally working here, Chiang said.

He reported that Taiwan's manufacturing workforce has decreased 440,000 people during the past five years, while Japan's manufacturing workforce have increased more than 1.2 million people and that in South Korea has also increased 500,000 people.

"Shrinking manufacturing workforce will in the long run undermine our export competitiveness," Chiang warned.

He urged local manufacturers to install automated production equipment and employ advanced technologies to save human labor.

Chiang said his ministry will call a meeting next week of administrators, academics and industrialists to discuss ways to resolve labor shortage problems and to encourage private investments.

**National Assembly Passes Constitutional Amendments**

OW2805091392 Taipei CNA in English 0817 GMT  
28 May 92

[Text] Taipei, May 28 (CNA)—The National Assembly approved Kuomintang [KMT] proposed amendments to the Constitution Wednesday.

Without the participation of opposition assembly members, the KMT-dominated National Assembly completed the third reading of the party's eight-article amendment proposal.

Major changes in the Constitution included the election of the president and vice president of the country and the appointment of Control Yuan members.

The Republic of China's future presidents and vice presidents will be elected by the whole people rather than National Assembly members, according to the amendments.

The president and vice president's tenure of office will be shortened from six to four years, with only one re-election permitted.

If the two leading posts are vacated at the same time, the Legislative Yuan speaker will announce an extraordinary National Assembly session within three months of the vacancy to elect a president and a vice president, who will serve the remaining terms of the previous president and vice president.

Members of the Control Yuan, the nation's highest watchdog body which has now become a quasi-judicial organization, will be appointed by the president, with the consent of the National Assembly. Previously, they are elected by provincial assembly and metropolitan city council members.

The Control Yuan's proposal to impeach the president and vice president will have to be endorsed by half of the Yuan's members and approved by two-thirds of them. The impeachment will be handled by the National Assembly, which has the power to recall the president and vice president.

The National Assembly's 33-member presidium and secretary general will ask President Li Teng-hui to promulgate the eight-article amendments.

KMT spokesman Chu Chi-ying hailed the assembly members for having followed democratic procedures in completing the mission entrusted by the electorate.

Chu regretted that the amendment work had had to be done by the KMT assemblypersons alone without the participation of the Democratic Progressive Party [DPP] and independent deputies.

He emphasized that the KMT had done its best to "communicate with" the opposition before the DPP withdrew from the assembly.

The spokesman noted that the KMT had made as many concessions to the DPP as possible.

However, he stressed, "we have to insist on three important principles concerning identification with our nation, public well-being, and social stability."

During the bi-partisan negotiations, the DPP repeatedly issued "ultimatums" to the KMT, demanding that the ruling party respond to its demands "within a time limit," Chu reported.

He described the DPP strategy as "fascist, Hitler-like, and Mao Zedong-style."

The KMT of course would never accept such threats, which amounted to demanding the KMT's surrender, Chu claimed.

On the DPP criticism that the constitutional amendments have been a "one-party work," Chu said the KMT has done what the electorate wished it to do during the December 1991 National Assembly elections.

He ridiculed the DPP for making such criticism, saying that "the so-called 'one-party work' has resulted in 'two parties being paid'."

Chu was referring to the DPP deputies' taking "attendance fees" and souvenirs from the assembly secretariat Tuesday.

"If I were a national assembly member, I would have felt great shame at taking the attendance fees without having really attended the meetings," he said.

#### DPP Vows To Promote Constitutional Ideas

OW270511092 Taipei CNA in English 0744 GMT  
27 May 92

[Text] Taipei, May 27 (CNA)—The opposition Democratic Progressive Party [DPP] pledged Tuesday that it would make all-out efforts to promote its constitutional amendment ideas during the year-end Legislative Yuan elections.

Tsai Jen-chien, spokesman for the DPP National Assembly caucus, said the DPP had not been able to play a proper role during the on-going assembly session because they have only 73 seats in the 402-seat assembly.

All DPP proposals were nipped in the bud by the assembly dominated by the ruling Kuomintang, Tsai said.

The DPP assemblypersons will dedicate themselves to promoting DPP causes in the runup to the year-end legislative elections, he said.

He added that his caucus members, who have withdrawn from the assembly, will not resign from it.

Besides criticizing the assembly's "careless" handling of constitutional amendment proposals, Tsai examined his caucus' performance during the current assembly session.

#### Over 60 Police, 13 Protesters Injured at Refinery

OW2705104992 Taipei CNA in English 0739 GMT  
27 May 92

[Text] Taipei, May 27 (CNA)—Protesters clashed violently with police at the Chinese Petroleum Corporation's [CPC] Talin Refinery in Kaohsiung, southern Taiwan, early Tuesday morning.

The protesters threw chairs and rocks at police ready to disperse their illegal gathering at the refinery, which had lasted 23 days.

Sixty-nine policemen, 13 protesters and several media workers were injured during the clash.

Government spokesman Hu Chih-chiang denounced the violent protesters, saying law enforcement authorities should never appease the perpetrators whose behavior cannot be tolerated by society.

Vice Economic Affairs Minister P.K. Chiang stressed that the the white smoke emitted from the refinery has

been confirmed to be harmless, and that his ministry will not be coerced into compensating the local residents.

They had demanded that the state-run enterprise pay each household NT [new Taiwan dollars] \$800,000 and give NT\$1.5 billion as a fund for building public facilities in the area.

The CPC deemed the demand unreasonable, but agreed to establish a civic center, a medical service center, and gas stations for Talin residents.

CPC spokesman Kuo Yung said his company will still try to be a good neighbor of the Talin community, even though the unhappy incident had occurred.

## Hong Kong

### Activities of UK's Hong Kong Minister Reported

#### Visits Boat People Holding Center

HK2705021592 Hong Kong SOUTH CHINA MORNING POST in English 27 May 92 p 3

[By Fiona MacMahon]

[Excerpt] Vietnamese boat people were now realising they would have to return home if they were screened out as non-refugees, the British minister with special responsibility for Hong Kong, Mr Alastair Goodlad, said yesterday.

He made his comments as he toured the Whitehead detention centre.

"It's quite clear from looking around that the best thing for those...not entitled to refugee status is to go back to their homeland as soon as possible" Mr Goodlad said.

"I very much hope that this will be accomplished speedily and easily, and that they will settle back into Vietnam."

Mr Goodlad refused to comment on the United States' decision to turn away Haitian boat people, saying: "How they treat Haitians is really a matter for them."

He spoke to children in the camp school and visited two dormitories in Section 1 of the vast camp, chosen because it was the closest to the school.

But inmates made no attempt to demonstrate against the deal signed by Britain and Hong Kong, which paves the way for the repatriation of all non-refugees.

The camp was quiet and many of the boat people simply peered listlessly through the grey camp fences surrounded by barbed wire against a backdrop of huts with slogans vowing to resist forced repatriation.

Of the 23,934 Vietnamese in Whitehead, 16,519 have been screened out as non-refugees.

Correctional Services officers said the lack of demonstrations in the drizzle was probably because the Vietnamese realised there was no point.

Mr Goodlad said he had told the Vietnamese he spoke to in the camp that they had to go home if they had been screened out, arguing that it was kinder that they understood the realities of the situation. [passage omitted]

#### Denies Plan To Change Exco

HK2705030392 Hong Kong SOUTH CHINA MORNING POST in English 27 May 92 p 3

[By Connie Law and Jeremy Lau]

[Excerpt] There were no plans to change the function of the Executive Council [Exco], the British minister with special responsibility for Hong Kong, Mr Alastair Goodlad, said yesterday.

But he said that Exco's membership was something which the new Governor, Mr Chris Patten, might wish to consider changing when he arrived Hong Kong in July.

Mr Goodlad rejected reports that Exco would become an advisory body and that the rules of confidentiality and collective responsibility would be lifted and United Democrat legislators appointed.

"I believe that report to be untrue," said Mr Goodlad. "There are no plans that I'm aware of to change the functions of Exco."

The chairman of the United Democrats of Hong Kong (UDHK), Mr Martin Lee Chu-ming, said he did not see any particular reason for the function of Exco to change.

"My feeling, having seen a number of people in the United Kingdom recently, is that the British Government, in fact, has no such desire.

"It (the British Government) simply wishes the new Governor to come to Hong Kong to consult more people before any decision is made, whether change or no change," he said.

Mr Lee called for more directly elected legislators to be appointed to Exco.

He said that if the Governor was to appoint legislators to Exco, the "proper thing to do is to appoint people who have the mandate of the people of Hong Kong".

"In other words, those who are democratically elected rather than, for example, those who are elected from the functional constituencies or appointed members," he said.

The UDHK chairman said his party was not fighting purely to gain its own seats in Exco, but for a system under which directly elected Legco members would be appointed to the highest decision-making body.

Mr Goodlad also met representatives of the Cooperative Resources Centre (CRC) yesterday and said after the meeting that Britain would, at an appropriate time, raise the issue of the proposed arrangements for the 1995 elections with the Chinese Government.

But CRC convenor Mr Allen Lee Peng-fei, warned that Britain should not act unilaterally on Hong Kong's pace of democratisation and should first reach an agreement with China.

He said he had told the minister that the 20 CRC legislators would vote against any democratisation proposal that had not been agreed upon by the Chinese Government.

"Because it (democratisation) will be a law-making process in Hong Kong, if the British Government acts unilaterally, I've told him in no uncertain terms that the CRC will object," he said.

CRC members told Mr Goodlad that a good relationship with China was vital to a smooth transition and that they would like the "through train" concept to be applied to the 1995 legislature, he said.

An agreement with the Chinese Government on Hong Kong's 1995 political system should be reached as soon as possible, they said.

Although no assurance was given by Mr Goodlad that Britain would not act unilaterally, Mr Lee said: "I certainly don't have any feeling that the British Government will adopt a confrontational attitude or act unilaterally on this particularly important political decision."

According to Mr Lee, the British Government had yet to decide the number of directly elected seats in 1995 that it would negotiate with China.

Mr Goodlad also had not revealed when it would talk to the Chinese Government on the issue, he said.

The Exco issue and Hong Kong's pace of democratisation will also be high on the agenda when Mr Goodlad holds meetings with the UDHK, the Meeting Point [centrist political group] and Executive and Legislative councillors tomorrow. [passage omitted]

#### **Talks With XINHUA Official**

*OW2705092792 Beijing XINHUA in English  
0854 GMT 27 May 92*

[Text] Hong Kong, May 27 (XINHUA)—Zhou Nan, director of Hong Kong branch of XINHUA NEWS AGENCY, had a meeting here today with Alastair Goodlad, British minister of state for foreign and commonwealth affairs with special responsibility for Hong Kong.

During the one-hour meeting, the two men exchanged opinions on making common efforts to maintain prosperity and stability in Hong Kong and realize the smooth transfer of power of Hong Kong.

The British minister arrived in Hong Kong on May 24 for a five-day visit. This has been his first official trip to Hong Kong since he took the position earlier this year.

#### **Meeting Called 'Helpful'**

*HK2805032492 Hong Kong THE STANDARD  
in English 28 May 92 p A-2*

[By Louis Ng and Lara Dangerfield]

[Text] Chek Lap Kok airport and the surge in cross-border violent crime were discussed between the new minister with special responsibility to Hong Kong and the local Xinhua New Agency director yesterday.

Alastair Goodlad said after his 60-minute meeting with Zhou Nan that the wide-ranging discussions were "extremely helpful and constructive". He said the talks included the transfer of power in 1997 and the escalation in smuggling.

"We were assured by the Chinese government that their efforts to curb violence would continue," Mr Goodlad said.

"I know that they want to do so and have been doing so."

After the meeting Mr Goodlad dined with community leaders who said they were also concerned about the rising crime rate.

"We must ensure that these unacceptably high incidences of smuggling and violent crime are stamped out," Mr Goodlad said.

A total of 19 District Board chairmen met Mr Goodlad at the City and New Territories Association Headquarters in Wan Chai for discussions on crime, inflation and the Vietnamese boat people.

Earlier this week, Mr Goodlad pledged to fight violent crime and visited the site of the Tai Kok Tsui shootout in which five people including two police officers were injured. Mr Goodlad was due to leave Hong Kong tomorrow evening but has changed his schedule so he can meet members of the Association for Democracy and People's Livelihood.

Association vice-chairman Leung Kwong Cheong made the request at yesterday's meeting with the minister.

Mr Goodlad will meet Meeting Point and United Democrats members today.

#### **On Locals in Mainland Jails, RTHK**

*HK2805032792 Hong Kong SOUTH CHINA  
MORNING POST in English 28 May 92 p 5*

[By Doreen Chung and Connie Law]

[Text] The British minister with special responsibility for Hong Kong, Mr Alastair Goodlad, yesterday expressed hope that the last reported Hong Kong resident being detained on the mainland could be released soon.

Speaking after meeting representatives of the Hong Kong Democratic Foundation, Mr Goodlad said he was delighted that two Hong Kong residents—Lai Pui-shing and Lee Lung-hing—had been released on humanitarian grounds this week.

He hoped that other dissidents would be released soon.

Mr Goodlad also said he hoped the last Hong Kong resident known to be still detained on the mainland, Ng Kwai-fong, 77, would be released soon.

Ng is in jail in Shaoguan in Guangdong for allegedly spying for Taiwan.

Mr Goodlad said although the British Government had lobbied on behalf of the dissidents, efforts from Hong Kong people should also be recognised.

Speaking after meeting Dr Leong Che-hung and Mr Jimmy McGregor of the Hong Kong Democratic Foundation, Mr Goodlad said they discussed a wide range of issues.

Asked to comment on the pace of democracy in Hong Kong, Mr Goodlad said Governor-designate Mr Chris Patten would consult people in greater detail. They would then talk to China about the 1995 elections.

Declining to say whether the British Government would press China on this issue even at the expense of Sino-British relations, Mr Goodlad said Britain had always maintained good relations with China.

Dr Leong said he had urged Mr Goodlad to speed up the pace of democracy in Hong Kong to have at least half the legislature returned by direct election in 1995.

The group also urged the British Government to appoint more directly elected legislators to sit in the Executive Council [Exco], Dr Leong said.

While the principle of confidentiality of Exco could be upheld, Dr Leong said greater flexibility should be granted on the rule of collective responsibility.

Mr Goodlad will meet other liberal groups today, including the United Democrats of Hong Kong, Meeting Point, and the Association of Democracy and People's Livelihood (ADPL).

Speaking after a meeting with the 19 district board chairmen, Mr Goodlad said issues relating to law and order, Vietnamese boat people, district board elections and inflation were discussed.

Although the Government had promised to repatriate all the Vietnamese boat people within three years, the chairman of the Central and Western District Board, Mr Ambrose Lau Hon-chuen, said the district board chairmen expressed hopes the administration would speed up the programme.

Meanwhile, Radio Television Hong Kong (RTHK) staff told Mr Goodlad that protracted delays in the station's corporatisation plan were causing "severe morale problems among staff".

In a letter to Mr Goodlad, RTHK Programme Staff Union chairman Mr Tai Keen-man, said the staff had no idea whether the Government was still committed to corporatising the station.

Said Mr Tai: "In the recent past, deadlines for formal staff consultations have been set and deadlines have been broken."

He said it was time for the Government to tell the staff whether corporatisation would proceed.

Mr Tai also pointed out staff concerns about the way the Government was to implement the plan, dismissing all staff first before allowing them to re-apply for jobs in the new corporation.

He also called on the Government to ensure that future salary and benefits would be on par with existing ones.

Mr Goodlad said he would not visit China in the near future but hoped it would not be too long before he did so.

#### Comments on Amending Basic Law

HK2805062192 Hong Kong RTHK Radio in English  
0500 GMT 28 May 92

[Text] The visiting minister responsible for Hong Kong, Alastair Goodlad, has told liberal legislators that the Basic Law can be changed to increase the number of directly elected seats at the 1995 Legco [Legislative Council] polls. Speaking after holding talks with members of Meeting Point and the United Democrats, Mr. Goodlad reaffirmed the British Government's aim to discuss increased democratization with China.

[Begin Goodlad recording] My understanding is that the People's Congress in Beijing have got the power to amend the Basic Law if the political will is there. As we have said repeatedly, the governor-designate will conduct wide consultations after he arrives. Thereafter, we will, at a suitable time—which will be reasonably soon—hold discussions with the Chinese Government. [end recording]

#### Welcome 'Less Than Rapturous'

HK2805031592 Hong Kong THE STANDARD  
in English 28 May 92 p A-12

[Text] New Minister for Hong Kong, Alastair Goodlad, received a less than rapturous reception this week when he visit Li Tak Street in Tai Kok Tsui, Kowloon, the scene of a recent gunbattle between robbers and police.

If anyone doubted that expectations of the British government and of the office held by Mr Goodlad have declined over the years, they should have accompanied him on his swing through Tai Kok Tsui.

The "so what" attitude towards such inspection tours was typified by the area resident who told a television interviewer: "We don't need him down here; we need more police. The best thing about his visit is that the streets are a bit cleaner today."

While not wishing to denigrate Mr Goodlad, it was always been difficult for Hong Kong people to understand what, if anything, these ministers do for them.

So far, Mr Goodlad's visit had been no different from those of any of his predecessors. He has dressed flesh, mouthed a few platitudes, glad-handed many of Hong

Kong's movers and shakers—and given people few ideas of who he is, what he stands for and what he is going to do for Hong Kong.

Is he the organ grinder or the monkey? Is he a gentleman or a streetfighter? Is he the man to speak up for Hong Kong? Or is he just a better-looking version of Lord Caithness?

One Chinese-language newspaper believes Mr Goodlad's performance is no better than his predecessor's. The paper criticised him for confusing the Legislative Council with the Executive Council when he responded to questions from reporters.

Every new minister should be allowed one minor faux pas, however. And it is only fair that we should reserve judgment on Mr Goodlad.

Apart from that one misstep, he has made a reasonably good impression. He certainly photographs better than his immediate predecessor. And he comes across as an amiable and competent man. We will have to look to his farewell press conference for something more substantive.

In his crammed itinerary during his brief visit here, the minister may not have had time for a really comprehensive view of all the major areas of concern in the territory. And it is too early to tell whether he has truly grasped Hong Kong issues and will pass on the right sort of information when he returns to his home base.

We have noted in the past that British junior ministers, when travelling to this place, need three heads. It is a tricky business to show Hong Kong how competent you are, Beijing how appealing you are, and London how very loyal you are.

Experience has taught Hong Kong not to expect too much from such people. The cynics have good reason to doubt that anything worthwhile has been achieved during Mr Goodlad's visit. The optimists, on the other hand, are hoping that he will give substance in coming months to the assurances he has offered us that the British government is firmly committed to our welfare.

We must all hope that Mr Goodlad will prove the cynics wrong and the optimists right.

### Macao

**Lu Ping on 'Macao People Administering Macao'**  
HK2505092292 Hong Kong WEN WEI PO in Chinese  
21 May 92 p 14

[By staff reporter Su Hung-ju (5685 7703 0320): "Lu Ping Explains Importance of Macao People Administering Macao, Says Relevant Provision Can Remove Misgivings"]

[Text] Macao, 20 May (WEN WEI PO)—Lu Ping, director of the Hong Kong and Macao Affairs Office, stressed the importance of Macao people administering

Macao when attending a discussion meeting with the Macao Basic Law Drafting Committee and some Macao-born Portuguese this afternoon.

Lu Ping pointed out the central policy is to implement "Macao people administering Macao" in the future Macao Special Administrative Region [SAR] after the government handover in 1999. He explained that if no differences in the right to vote and to stand for election between permanent and nonpermanent residents were stipulated in the Macao Basic Law, and if China sent large numbers of people to Macao after 1999, they would enjoy the right to vote and to stand for election at that time. If there is such a provision in the Basic Law, it will certainly remove some people's misgivings; and at the same time reflect the implementation of the central policy of "Macao people administering Macao."

In respect of the relevant provision that contracts initiated by the former Macao Government straddling 19 December 1999 after the Macao SAR's founding will remain effective, with the exception of those contracts which organs authorized by the central people's government have openly announced to be in nonconformity with the arrangements for the transitional period stipulated in the Sino-Portuguese Joint Declaration and which must be reexamined by the Macao SAR Government, Lu Ping believed the provision is indispensable because it involves the obligations and responsibilities of the future Macao SAR Government. As with a company changing hands, its former boss must solicit the opinions of the new one on the contracts initiated before the transfer; because this involves whether or not the new boss is capable of taking up the responsibilities. It is the same with the government handover in 1999.

**Mainland Draft Basic Law Committee Members Leave**  
OW2305142792 Beijing XINHUA in English  
1406 GMT 23 May 92

[Text] Macao, May 23 (XINHUA)—The mainland members of the committee for the drafting of the basic law of the Macao special administrative region left here today at the end of a six-day advisory visit.

During their stay, the mainland members jointed local draft basic law committee members in a number of seminars on the subject and visited the local trade unions, Chamber of Commerce, women federations and some factories. They also solicited opinions and suggestions on the draft basic law from all walks of life.

Before departure, Ji Pengfei, head of the basic law drafting committee, said, "We are impressed by the patriotic emotion of local residents through exchange of views over the past few days of visit."

People in Macao set a high value on the basic law and offered a lot of suggestions to make the draft law perfect. The suggestions will be classified and then forwarded to the drafting committee, he added.

Ji expressed the belief that a basic law which can reflect the principle of "one country, two systems" and accord with the actual conditions of Macao will be completed

with the effective work of the advisory committee and the support of the people of all social stratum in Macao.

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